

Daily Report

East Asia

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Daily Report East Asia

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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Japan

Auto Industry Association on U.S. Import Talks
OW2602065794 Tokyo KYODO in English 0650 GMT
26 Feb 94

[Text] Tokyo, Feb. 26 KYODO—The Japan Automobile Manufacturers Association will propose to the U.S. auto industry the setting up of a forum for talks in the private sector on U.S. auto imports to Japan, industry sources said Saturday [26 February].

The industry group's move reflects an effort to help bridge the gap between the United States and Japan on purchases of U.S. auto parts and sales of U.S. autos in Japan—the most contentious issue in the failed bilateral "framework" trade talks.

Heads of the U.S. and Japanese auto industries agreed in 1992 to set up discussion groups, but the talks never materialized.

The establishment of talks in the private sector has become urgent now, however, with the deadlock in government negotiations, and the automobile association will try to find ways to enhance U.S. imports, the sources said.

In line with the Japanese Government's plan to liberalize the domestic market, the automobile association and major Japanese automakers have started drawing up their own measures to respond to the U.S. demands.

The measures could be ready for implementation as early as mid- March and include releasing the purchasing plans of auto parts at each Japanese automaker.

This proposal has met with strong opposition from the automobile industry, however, on fears that it could be taken as a commitment to setting numerical import targets—a U.S. demand that Japan has strongly resisted throughout trade talks.

"That would run counter to our policy of never ever releasing figures," said an official at one major auto company.

More Reports, Comments on Market-Opening Issue

Gephardt-Rockefeller Bill Viewed

OW2502234894 Tokyo KYODO in English 2315 GMT 25 Feb 94

[Text] Washington, Feb. 25 KYODO—President Bill Clinton Friday [25 February] applauded the congressional move to impose U.S.-set import targets on Japan, saying it represents "the determination of the American people" to open Japanese markets.

Clinton was commenting on a new trade bill sponsored by House majority leader Richard Gephardt that requires the U.S. Government to retaliate against Japan unless it meets specific U.S.-set import targets. "I think that it shows the determination of the American people to improve our trade and to open the markets (in Japan)," Clinton said at a news conference.

Clinton singled out in particular the involvement of Sen. John Rockefeller of West Virginia in the proposed legislation as he gave tacit endorsement to the Gephardt-Rockefeller bill.

Rockefeller, a second-term Democrat who has had extensive contact with Japan, joined Gephardt Thursday in sponsoring the "fair market access" and blasted the Japanese Government for "locking out" American products and services in the Japanese market. Rockefeller "understands what is at stake here," Clinton said, noting that the Democrat senator "has actually lived in Japan and, I think, is thought of genuinely as a friend of Japan."

Rockefeller spent three years in Tokyo from 1957 to 1960 as a student at the International Christian University.

Clinton, however, stayed short of giving outright support to the Gephardt-Rockefeller bill, asserting that "we've taken no position on any particular legislation." The bill, which received support from both Democratic and Republican legislators, requires the Commerce Department to define "objective criteria" for what the U.S. feels would be a "fair" market share in Japan for U.S. products, using the competitive position of U.S. firms in other developed markets as a benchmark.

Japan will be subject to U.S. sanctions under provisions of the legislation if it fails to meet the U.S.-set targets.

Gephardt said the proposed legislation was in support of Clinton's efforts to open Japanese markets through the framework trade talks, which collapsed on February 11 over U.S. demands to set import goals in Japan.

Tokyo has since moved to defuse the growing friction with Washington, with the coalition government of Prime Minister Morihiro Hosokawa pledging Friday to compile a "voluntary" market-opening package by the end of March. The Tokyo decision, announced by Chief Cabinet Secretary Masayoshi Takemura, drew a cautious response in Washington.

White House Spokeswoman Dee Dee Myers said the Clinton administration has no information about the details of the proposed market-opening program. "We look forward to the details of the proposal," Myers told reporters.

The plan includes encouraging imports and foreign investment in Japan, easing government regulations and procedures involved in government purchases and spurring competitive policies, Japanese officials said.

Official Rejects U.S. Allegation

OW2802094994 Tokyo KYODO in English 0933 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—A senior Japanese trade official on Monday [28 February] rejected U.S. claims that Japan's markets are closed as "erroneous."

The difficulty of U.S. and European access to Japanese markets does not reflect the "peculiarity" of the Japanese market as widely argued, said Sozaburo Okamatsu, vice international trade and industry minister for international affairs. The trade imbalance between Japan and the United States, for example, is more the result of differences in supply and demand structures in each country than of the allegedly closed nature of the Japanese market, Okamatsu said in a speech at the Japan National Press Club.

He also said that trade among European Union (EU) nations should be classified as domestic rather than international trade in view of the integrated nature of their economic relations. The ratio of imported products consumed in the EU, currently at 18.1 percent, would be only 4.9 percent if intrabloc trade was treated as domestic based on this concept, Okamatsu said, noting the figure is close to the 3.4 percent import ratio for Japan.

Okamatsu also dismissed U.S. claims that Japan's auto market is closed to U.S.-made automobiles by pointing out that until recently U.S. automakers did not sell a single right-hand drive car in the Japanese market where such cars command a 98 percent share.

A lower import share for a particular product does not mean that the country's market for the product is closed, he said, noting the U.S. aircraft industry, with almost no import record, is not branded as exclusive.

Any country with product competitiveness in a certain area tends to score a trade surplus in that area, he said, adding that the U.S. has much black ink with Japan in globally competitive service sectors.

Okamatsu, the chief negotiator in the recently collapsed Japan-U.S. trade framework talks, said the U.S. demand for Tokyo to set numerical trade targets is based on an erroneous evaluation of Japan's trade situation.

Japan adamantly rejects such targets in order to prevent the idea of managed trade from "spilling over into the global trade arena" in defiance of free trade rules under the General Agreement on Tariffs and Trade (GATT), he said.

Okamatsu said Japan will not repeat "the painful experience" it had following its semiconductor accord with Washington, which he claimed developed into a political issue after Tokyo failed to achieve "nonbinding expectations" of a 20 percent foreign market share in the Japanese chip market.

Tokyo will never sign an accord that "has a possibility of leaving trouble in the future," he said. But he added it might be better to map out an import plan on an individual and voluntary basis.

Okamatsu said it is "impossible" for the Japanese auto industry to extend its plan to expand purchases of U.S. components in 1995 and beyond, in view of the severity of the industry's slump.

The plan worked out by Japanese carmakers during then U.S. President George Bush's visit to Japan in 1993 called for an average annual growth of a sharp 20 percent in parts purchases from 1990 to 1994, Okamatsu said.

Hosokawa: Move Up Implementation OW2802061394 Tokyo KYODO in English 0600 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Prime Minister Morihiro Hosokawa ordered government and ruling party leaders Monday to move up the implementation of voluntary market opening measures aimed at reducing Japan's bloated trade surplus, officials said. The officials said Hosokawa told a high-level meeting of the government and ruling coalition parties it is too late for Japan to work out such measures by the end of March.

Hosokawa told the session U.S. Secretary of State Warren Christopher is scheduled to arrive in Tokyo March 9 while Washington will decide on March 17 whether to impose sanctions against Japan over a mobile telephone issue, the officials said.

Hosokawa predicted that U.S. President Bill Clinton will almost certainly reinstate Super 301, which allows Washington to impose sanctions against countries with unfair trade practices, ahead of off-year elections in November, they said.

Deputy Prime Minister and Foreign Minister Tsutomu Hata said Japan will bring the case to the General Agreement on Tariffs and Trade if the United States invokes Super 301.

Fujii Briefs Bentsen on Measures

OW2602101194 Tokyo KYODO in English 0956 GMT 26 Feb 94

[Text] Frankfurt, Feb. 26 KYODO—Japanese Finance Minister Hirohisa Fujii and U.S. Treasury Secretary Lloyd Bentsen discussed Japan's efforts to prop up its faltering economy and slim its colossal current-account surplus, a U.S. Government source said Saturday.

The source, who spoke on condition of anonymity, said the bilateral talks dealt with Tokyo's plans to further deregulate its markets and open them up to more foreign competition.

The United States is "very concerned" about Japan's actions to stimulate domestic demand and liberalize the market, the source said.

A Japanese official, meanwhile, said Fujii briefed Bentsen on the latest pump-primer that totals 15.25 trillion yen and said the 6 trillion yen tax reduction envisaged by the package is "but a first step toward a more full-fledged tax reduction in the future."

The talks, which will be followed by a meeting of finance officials from the Group of Seven (G-7) economic powers here, mark the first ministerial-level bilateral talks between Japan and the U.S. since the "framework" trade talks broke down earlier this month.

The collapse of the framework talks, meant to reduce Japan's chronic current-account surplus with the U.S. that totaled 60 billion dollars last year, has led to a series of sough trade actions taken by Washington in recent days.

A few days after the February 11 summit meeting between Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton, Washington announced plans to impose sanctions on Japan for what it perceives as limited access for foreigners to Japan's cellular phone market.

In a bid to head off a U.S. trade tit-for-tat, the Japanese Government has started compiling voluntary plans to liberalize the market. The plans are scheduled to be unveiled in March.

Fujii Claims G-7 Nations' Support

OW2702120894 Tokyo KYODO in English 1156 GMT

27 Feb 94

[Text] Tokyo, Feb. 27 KYODO— Japanese Finance Minister Hirohisa Fujii claimed Sunday that Tokyo has won support from other Group of Seven (G-7) nations on its measures to boost domestic demand and open markets.

The largest-ever 15.25 trillion yen pump-primer unveiled earlier this month and a market-opening package scheduled to be announced in March have drawn much attention from other members of the G-7 club, Fujii told a news conference. Financial officials from these countries placed high expectations that the measures will help reduce Japan's swollen current account surplus, Fujii added.

He also said Tokyo has been able to secure G-7 cooperation in preventing excessive fluctuations in currency rates.

Fujii flew back from Frankfurt, Germany, where he attended a meeting Saturday of top finance officials from the seven leading economic powers.

Referring to talks with U.S. Treasury Secretary Lloyd Bentsen held prior to the G-7 gathering, Fujii said Bentsen listened "in real earnest" to his explanation on the latest Japanese tax cut plan designed to boost personal consumption.

Fujii said the media coverage so far made on the six other G-7 nations' assessment of the Japanese stimulus package does not accurately reflect "the real atmosphere" of the meeting.

The remark apparently shows his frustration over a barrage of newspaper reports that Japan was criticized by its G-7 partners in the Frankfurt suburb meeting for failing to make sufficient efforts to boost domestic demand and cut its huge current account surplus.

Reports also said Japan, despite Fujii's claim first made in his news conference immediately after the G-7 meeting, was not able to obtain firm G-7 commitment for taking currency-stabilizing measures following the yen's renewed surge against major currencies.

Finance ministers and central bank governors from Britain, Canada, France, Germany, Italy and the United States appeared to have "a positive impression" of the latest pump-priming package, Fujii said.

He also said the G-7 club's shared stance against "speculative currency moves that may lead to the yen's rapid appreciation against the dollar" was well echoed in press remarks made by German Finance Minister Theo Waigel. Summing up the latest G-7 meeting as its Chairman, Waigel stressed the continuation among the seven countries of a process in which they have taken "appropriate" steps to arrest rapid currency rate movements, Fujii said. But Fujii withheld comment on whether or not the G-7 has agreed to refrain from currency rate manipulation.

The yen surged more than 6 yen against the dollar on speculation over U.S. comments tolerating a stronger yen, which were widely viewed as manipulation designed to guide the Japanese currency higher following the February 11 collapse in Japan-U.S. trade talks.

Fujii dismissed as groundless reports that Japan had been isolated from other G-7 partners in their latest meeting. News conferences held by each G-7 country clearly showed "what was the reality," he said.

Fujii said during his meeting with Bentsen he tried to wipe out "U.S. misunderstanding" that the 5.85 trillion yen tax cut envisioned in the stimulus package is a single-year scheme. The finance minister said he told Bentsen the tax cut is "a first step toward a more full-fledged tax reform expected to be worked out by the end of this year."

Fujii also said he briefed Bentsen on the recently inaugurated coalition council which he said is working toward a full-scale tax reform in line with the fiscal 1994 tax reform guideline. But Fujii refrained from saying whether or not Bentsen was convinced by his explanation.

Fujii said Japan is not considering formulating another economic package for now. He voiced hope the February 8 package will become a final one by pulling the Japanese economy out of its long slump.

Tokyo Gets 'Cold Shoulder' From G-7 Partners

OW2702030394 Tokyo KYODO in English 0240 GMT

27 Feb 94

[Text] Frankfurt, Feb. 27 KYODO—Russia got a warm pat on the back from seven leading economic powers Saturday [26 February], while Japan largely got the cold shoulder from its Group of Seven (G-7) partners.

Meeting at a resort hotel in the Frankfurt suburb of Kronberg, G- 7 finance ministers and central bankers reaffirmed their support for aid to Moscow and for its economic reform efforts, while belittling Tokyo's attempts to curb its huge trade surplus.

Touting President Boris Yeltsin's efforts to tame inflation and privatize the behemoth Russian economy, and flush with their diplomatic moves to end the siege of Sarajevo, the Moscow visitors sought a seat at the global economic table from the G-7.

They were not disappointed.

The tone was signaled by a statement from the meeting's chairman, Finance Minister Theo Waigel of Germany, a country with close ties to the former Soviet Union. The conference closed with the G-7 agreeing to fully implement its comprehensive 43 billion dollar Russian aid plans, according to the statement.

But Japan, with the world's second biggest economy and the only trade surplus among the G-7—was told to do more to boost domestic demand and reduce its swollen current account imbalance, while not even getting a strong call for currency market stability.

Finance Minister Hirohisa Fujii headed to Germany to reexplain Japan's recent 15 trillion yen pump-priming package, with its 6 trillion yen in tax cuts. He and bank of Japan Governor Yasushi Mieno sought reaffirmation that the G-7 frowns on the currency gyrations that again sent the yen soaring against the dollar this month after Japan-U.S. Trade talks foundered.

The G-7 welcomed Moscow's assurances of continued reform, reaffirmed the group's commitment to full implementation of support measures agreed to in Tokyo in April and July, urged Russia and the International Monetary Fund (IMF) to agree quickly on a loan accord and expressed a willingness to support a substantial new Russian debt rescheduling.

Japan apparently got little overt help from its G-7 partners, which also include Britain, Canada, France and Italy. Also in Frankfurt were representatives from Moscow and the European Union.

U.S. Treasury Secretary Lloyd Bentsen said Tokyo should "put in place a substantial and effective program to strengthen domestic demand, reduce its large trade surplus and open its markets"

The chairman's statement lacks the reaffirmation that Japan sought of the G-7's formulaic call for exchange

rates to reflect economic fundamentals and against erratic currency movements.

Bentsen said currency issues got little attention at the G-7 meeting or in his preceding talks with Fujii.

The yen surged after fruitless trade talks between President Bill Clinton and Prime Minister Morihiro Hosokawa in Washington on February 11 as currency dealers anticipated pressure from U.S. authorities for a higher yen, which hobbles Japan's export-reliant economy and theoretically blunts its trade surplus by pricing Japanese exports out of foreign markets.

U.S. officials have denied any intention to toy with the foreign exchange market, but the G-7 skirted exchange rate comments and focused more blandly on general cooperation.

Still, Fujii fell back on what he called the G-7's "long history of taking appropriate measures on rapid movements in currency rates with monetary authorities contacting each other." He told a press conference that Waigel "emphasized the continuation of this process."

Central banker Mieno, who has repeatedly said that no clear signs of a Japanese economic recovery have appeared, said global improvements since the last G-7 meeting in September will have "favorable effects on Japan." But Japan's economic stimulus steps, already labeled skimpy by Washington, received less than warm praise Saturday from the IMF, which said the package will have limited effect on Tokyo's current account surplus.

AP-Dow Jones said Managing Director Michel Camdessus presented an IMF report predicting that the surplus will dip to 130.3 billion dollars this year from 131.4 billion dollars in 1993, but then rise to 131.1 billion dollars in 1995, 140.9 billion dollars in 1996 and ease to 140.0 billion dollars in 1997.

The report suggests that Japan's black ink with the world would differ little from those expectations, even without the 15.25 trillion yen pump-primer, AP-DJ said.

Some 5.4 trillion yen of the stimulus package—such as land purchases for public works projects and housing and small-enterprise loans—will not directly spur the economy, the IMF report says.

It says the package will nudge Japan's economy above what would have been no real growth this year but have minimal impact after that, with 1995 growth of 2.3 percent next year with or without the package.

Indeed, without the package, the report charges, Japan's 1996 growth would have been 0.6 percentage point more than the predicted 4.0 percent, while 1997 will see 5.0 percent growth either way.

Concerns also surfaced at the G-7 meeting over lack of Russian progress in stabilizing its economy, with the finance leaders urging Moscow to act to curb its fiscal deficit and inflation and promote credit creation.

Fujii, Mieno Return Home After G-7 Meeting
OW2702084694 Tokyo KYODO in English 0834 GMT
27 Feb 94

[Text] Tokyo, Feb. 27 KYODO—Finance Minister Hirohisa Fujii and Bank of Japan Governor Yasushi Mieno returned home Sunday afternoon from Frankfurt where they represented Japan at a meeting of top financial officials from the Group of Seven industrialized countries on Sunday.

Hata Morocco Apr Visit for GATT Pact Viewed

OW2702062794 Tokyo KYODO in English 0557 GMT

27 Feb 94

[Text] Tokyo, Feb. 27 KYODO—Deputy Prime Minister and Foreign Minister Tsutomu Hata will likely visit Marrakech, Morocco, in April to sign a new global trade accord under the General Agreement on Tariffs and Trade (GATT), ministry sources said Sunday [27 February].

International Trade and Industry Minister Hiroshi Kumagai may also participate in a signing ceremony, the sources said.

The ceremony will take place from April 12 to 15, with representatives from the 118 signatory countries of the Geneva-based GATT and the European Union [EU] taking part, the sources said.

During his stay there, Hata is expected to make a speech and meet with U.S. Trade Representative Mickey Kantor and other cabinet ministers of major Japanese trading partners.

The discussions are likely to center on Japan's fresh measures to boost imports the government of Prime Minister Morihiro Hosokawa is planning to adopt soon.

Japan's current account surplus reached a record 130 billion dollars last year, the main factor behind its trade disputes with the United States and Europe.

On April 14, the sources said, participants at the ceremony will affix signatures to Uruguay Round agreements on agriculture, the mining and manufacturing sector, services, intellectual properties and the setting up of the World Trade Organization (WTO), a successor to GATT.

These pacts are likely to take effect next January when the WTO is to be inaugurated, they said.

At the final session of the Uruguay Round trade talks, representatives from the 118 countries and the EU may adopt a declaration calling for freer global trade, the sources said.

Reportage on Monetary Regulation Continues

BOJ Chief on Discount Rate

OW2702040494 Tokyo KYODO in English 0336 GMT 27 Feb 94

[Text] Tokyo, Feb. 27 KYODO—The Bank of Japan (BOJ) sees no big impact on the currency market but some market dealers expect the yen to rise next week after no clear affirmation for stable rates at the Group of Seven (G-7) meeting, BOJ and currency market sources said Sunday.

Finance ministers and central bankers of the G-7 leading nations failed to produce a clear affirmation at their meeting in Germany Saturday of their past accord on stable currency rates reflecting economic fundamentals.

"This has been already factored in by the currency market, and is unlikely to have a big impact on the yen rate," said a central bank source.

But a market dealer said, "a stronger yen is expected next week as the U.S. side reiterated its hard-line stance" at a meeting between Japanese Finance Minister Hirohisa Fujii and U.S. Secretary Treasury Lloyd Bentsen.

"Speculations over the U.S. guiding the yen higher to solve the deadlocked issue of trade imbalance is receding," the BOJ source said. "A wild gyration is unlikely although the G-7 failed to make an accord on stable currency rates."

Fujii reportedly called for reaffirmation of a past G-7 accord favoring stable currency rates reflecting economic fundamentals, but U.S. Treasury Secretary Lloyd Bentsen and other finance ministers said currency issue was not discussed much at the G-7 meeting.

Bentsen told a press meeting in Germany that Japan must "put in place a substantial and effective program to strengthen domestic demand, reduce its large trade surplus and open its markets."

Meanwhile, the central bank maintained its cautious stance over a further cut in the official discount rate as Japan's stimulus action.

Speaking at a press meeting in Germany, BOJ Governor Yasushi Mieno stressed that the discount rate is at the "record-low level" of 1.75 percent.

With Japan's long-term rates already turning higher, the BOJ source said that effects of a discount rate cut on the economy will be limited.

Mieno: Monetary Policy 'on Hold'

OW2702113594 Tokyo KYODO in English 1121 GMT 27 Feb 94

[Text] Tokyo, Feb. 27 KYODO—Bank of Japan Governor Yasushi Mieno indicated Sunday Japan's monetary policy will stay on hold at least for now, noting interest rates are currently low enough to rev up the

stagnant economy. Mieno gave the hint at a news conference held upon returning home from Frankfurt where he represented Japan at a meeting of top financial officials from the Group of Seven industrialized countries on Saturday, along with Finance Minister Hirohisa Fujii.

The central bank cut its discount rate to a record low 1.75 percent per annum last September. Mieno said the central bank will "keep a close eye on the effect of past rate cuts" for the time being.

Mieno said exchange rates had not loomed large at the G-7 gathering but he quickly added the G-7 countries had reconfirmed the need for continued cooperation in currency and other questions.

The yen has soared against the dollar in the wake of the collapse of a February 11 summit between Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton on trade issues. The current yen-dollar levels had not been taken up at a meeting of Fujii and his U.S. counterpart Lloyd Bentsen, which took place just before the G-7 meeting, Mieno said.

"The currency levels should be determined by market force and should not be manipulated," Mieno said.

Asked about press reports that Fujii had told the G-7 meeting that the yen's rapid appreciation in value puts a damper on Japan's economic recovery, Mieno said the view seems to have been understood by financial officials from other industrialized countries although no clear-cut responses had been expressed. He also said other G-7 countries had expressed strong hope for Japan's economic comeback but had not sought any change in its monetary policy.

Vice Trade Minister 'Concerned' OW2802073894 Tokyo KYODO in English 0706

OW2802073894 Tokyo KYODO in English 0706 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Vice Trade Minister Hideaki Kumano expressed concern Monday over the renewed appreciation of the Japanese yen against other currencies.

"We are concerned," Kumano told reporters while commenting on the yen's rise following a weekend meeting in Germany by finance ministers and central bankers from the Group of Seven industrialized nations.

Kumano said Japan's policy stance that its trade surplus should be slashed through expansion of domestic demand instead of foreign exchange adjustments was understood at the group's meeting.

The representatives from Germany and Italy supported Japan's appeal for a stable foreign exchange market, he said.

PRC's Zhu Ronji Holds More Meetings, Talks

Discusses Shanghai Airport Plans

OW2802083994 Tokyo KYODO in English 0809 GMT 28 Feb 94

[Text] Osaka. Feb. 28 KYODO—Chinese Vice Premier Zhu Rongji said Monday [28 February] a new airport planned for Shanghai will be managed by a corporation to be set up by the government and private firms, Japanese officials said. Zhu, on a tour of Japan, disclosed the plan in a meeting with business leaders in the Osaka area, the officials said.

The proposed airport corporation will be owned by the central and Shanghai municipal governments as well as private companies, Zhu said.

Osamu Uno, head of the Kansai Economic Federation, told Zhu that the Kansai International Airport to be opened in September will be run under a similar formula.

Zhu predicted China's economy will grow at an annual rate of 8 to 9 percent, with the inflation rate held to less than 10 percent, the officials said.

Comments on Coal, Oil Price Curbs

OW2802033494 Tokyo KYODO in English 0325 GMT 28 Feb 94

[Text] Osaka, Feb. 28 KYODO—China is to liberalize price controls on coal and petroleum this year as part of efforts to switch to a market-oriented economy, Vice Premier Zhu Rongji said Monday [28 February]. Zhu, who is in Japan on a nine-day visit, disclosed the plan at his meeting with heads of firms with business relations with Sanwa Bank, officials of the Osaka-based bank said.

Zhu, who is also head of the People's Bank of Japan, the central bank, added, however, that prices of farm products will be raised to encourage farmers. "All steps are in line with price reforms to create market-driven economy, which will be completed by the end of this year," he said.

He admitted that leaving prices to market forces would lead to double-digit inflation this year, but said inflation will slow to single figures next year.

Zhu is to leave Japan on Thursday.

Extends Stay Until 4 Mar

OW2802023994 Tokyo KYODO in English 0230 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Chinese Vice Premier Zhu Rhongi will extend his stay in Japan by one day until Friday [4 March], Foreign Ministry officials said Monday.

Zhu, in Japan since last Wednesday for talks with Japanese leaders, was scheduled to leave on Thursday

after visiting Osaka, Okayama and Fukuoka Prefectures in western Japan. But the Chinese side requested to extend the stay until Friday without giving any specific reasons, the officials said.

Zhu will return home Friday from Fukuoka, they said.

Colombian President Arrives for Five-Day Visit

OW2602103994 Tokyo KYODO in English 1006 GMT

26 Feb 94

[Text] Tokyo, Feb. 26 KYODO—Colombian President Cesar Gaviria Trujillo arrived in Tokyo on Saturday for talks with Japanese Prime Minister Morihiro Hosokawa. Gaviria will meet with Hosokawa at his official residence Monday evening. During a five-day stay in Japan through Wednesday, the president will also meet Emperor Akihito and Empress Michiko, and hold talks with Japanese business leaders.

Expresses Wish To Join APEC

OW2802125694 Tokyo KYODO in English !159 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Colombian President Cesar Gaviria Trujillo said Tuesday [as received] his country wants to join the Asia-Pacific Economic Cooperation (APEC) forum in the future, Foreign Ministry officials said.

Gaviria, who arrived in Japan on Saturday for a five-day visit, expressed interest in joining APEC at a meeting with Prime Minister Morihiro Hosokawa, the officials said.

Gaviria also said he wants Japan to become a "bridge" in strengthening ties between Colombia and the Asia-Pacific region, they said.

Hosokawa told Gaviria Japan welcomes the strengthening of ties between Colombia and the Asia-Pacific region and that he thinks bilateral ties between Colombia and Japan will increase.

In the November APEC meeting in Seattle, Mexico and Papua New Guinea won membership to the forum, while Chile was named to become a member this year. The group froze further membership applications through 1996, however.

Ministry officials said Japan will take into account Celombia's bid and will convey the intention to other members of APEC.

Also during the 20-minute meeting at the prime minister's official residence, Hosokawa told Gaviria Japan has decided to extend yen loans to Colombia for an agricultural development project along the Ariari River, the officials said.

Japanese and Colombian officials are currently negotiating the amount of the loans, they said.

Hosokawa said Japan is considering sending a mission to Colombia within fiscal 1994 to study participation in a project to improve the traffic network in the capital city of Bogota.

Japan will also extend a cultural grant-in-aid of 45 million yen to Bolivar Memorial Museum for its purchases of audiovisual equipment, Flosokawa said:

Turning to economic relations, Gaviria urged Japan to import tropical fruits from Colombia and to have cut flowers quarantined in Colombia before exporting them to Japan, the officials said.

He also said Colombia wants to export coal and petrol in the future.

Japanese ambassador to Colombia Masaki Yagi, who accompanied Hosokawa in the meeting, said the matters concerning tropical fruits and cut flowers should be discussed when Colombia's agricultural minister visits Japan in April and that the coal and petrol issues should be discussed among the private sector.

Nuclear Inspection Resumption in DPRK Wecomed

OW2802095694 Tokyo KYODO in English 0943 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Japan welcomed Monday [28 February] the scheduled resumption of international inspections of North Korea's nuclear sites Tuesday but called on Pyongyang for further efforts to dispel allegations that it is developing nuclear weapons. Vice Foreign Minister Kunihiko Saito told a press conference Japan welcomes the scheduled inspections of North Korea's declared nuclear facilities by the International Atomic Energy Agency (IAEA) following an accord between Pyongyang and Washington last weekend.

Saito said the focal point now lies on whether the inspections, slated to begin Tuesday, will be fully carried out, whether North Korea "seriously" engages in dialogue with South Korea, and as a result, whether a third round of talks will resume between North Korea and the United States.

More important, he said, is to seek a drastic solution to North Korea's nuclear problem through Pyongyang's complete return to the nuclear Nonproliferation Treaty (NPT), implementation of special inspections of its nuclear sites and carrying out a joint declaration with Seoul to denuclearize the Korean peninsula.

"We strongly expect North Korea to take positive measures to achieve that," Saito said.

Japan also welcomes the U.S. initiative leading up to now, Saito said. Tokyo will continue to maintain close contact with Washington, Seoul and other related countries and make efforts toward solutions to the problem, he said.

An IAEA inspection team left Vienna Sunday to inspect seven declared nuclear sites in Yongbyon, about 90 kilometers north of Pyongyang. The seven-member group is expected to arrive in Pyongyang Tuesday.

But so far, North Korea has rejected pressure to allow inspections of two other undeclared sites at the nuclear complex that are suspected of being part of a nuclear weapons project.

The inspection will be the first in more than a year by the IAEA, the Vienna-based international nuclear watchdog.

North Korea allowed six inspections of its declared nuclear facilities in 1992, but threatened to withdraw from the NPT last March when pressed to open to checks of the two undeclared facilities.

DPRK Urged To Make More Efforts OW2802063994 Tokyo KYODO in English 0628 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Foreign Minister Tsutomu Hata urged North Korea on Monday to take further steps to clear itself of allegations of covertly developing nuclear weapons, a government spokesman said.

Hata did not specify any actions, but he predicted that international pressure would mount on North Korea to open two undeclared nuclear sites to inspection, Deputy Chief Cabinet Secretary Yukio Hatoyama told a news conference.

Hata, speaking at a meeting of government and ruling coalition leaders, also said North Korea's decision to grant visas to international inspectors has helped ease international concern about its nuclear program, Hatoyama said.

An inspection team of the International Atomic Energy Agency (IAEA) left Vienna on Sunday to inspect seven declared nuclear sites in Yongbyon, about 90 kilometers north of Pyongyang.

But so far North Korea has rejected pressure to allow inspections of two other sites at the nuclear complex that are suspected of playing a role in an alleged nuclear bomb project.

North Korea issued visas to the seven-member inspection team Saturday after Pyonyang and Washington reached an accord on U.S. suspension of joint military exercises with South Korea.

The inspectors are expected to arrive in Pyongyang on Tuesday.

The inspection will be the first in more than a year by the IAEA, the Vienna-based international nuclear watchdog.

North Korea allowed six inspections of its declared nuclear facilities in 1992, but threatened to withdraw

from the Nuclear Nonproliferation Treaty last March when pressed to open to checks of the two undeclared facilities.

Officials Say Hosokawa Invited To Visit Romania OW2802075394 Tokyo KYODO in English 0720 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Romanian parliamentary leader Oliviu Gherman on Monday [28 February] invited Prime Minister Morihiro Hosokawa to visit Romania, government officials said. Gherman, president of the Romanian Senate, delivered the invitation to Hosokawa during a courtesy call at the prime minister's residence, the officials said.

Hosokawa gave no direct answer, but was quoted as saying he would like to promote personnel exchanges between the two countries.

On economic matters, Gherman called on the Japanese Government to increase investment in Romania, as the country is stable politically, the officials said.

Tokyo Gives Pakistan Grant for NHK Programs OW2802101494 Tokyo KYODO in English 0951 GMT 28 Feb 94

[Text] Islamabad, Feb. 28 KYODO—Japan will provide a grant of 50 million yen to Pakistan Television (PTV) to enable it to purchase educational programs under an agreement signed here Monday [28 February].

The grant will be used to purchase 372 video programs from Japan Broadcasting Corp. (NHK) and editing equipment for PTV's second education channel.

Israel Urged To Probe Massacre in Hebron OW2802110994 Tokyo KYODO in English 1053 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Japan urged Israel on Monday [28 February] to do its utmost to investigate last week's massacre of Palestinians in Hebron and take measures to prevent such occurrences in the future, Vice Foreign Minister Kunihiko Saito said. He said Deputy Vice Foreign Minister Hiroshi Fukuda met with Israeli Ambassador to Japan Amos Ganor at the Foreign Ministry and reiterated a statement issued Saturday by ministry spokesman Terusuke Terada.

Fukuda urged Israel to take measures to help ensure the creation of a trusting relationship with the Palestinians, Saito said.

The Japanese Government will also convey the statement to the Palestine Liberation Organization (PLO) and the Governments of Jordan, Syria and Lebanon, and tell them of the meeting between Fukuda and the Israeli ambassador, he said.

As many as 39 Muslim worshipers were killed and many more wounded when a Jewish settler armed with an automatic weapon entered the West Bank mosque on Friday and opened fire.

The ministry spokesman's statement said Japan "strongly condemns" the act of violence and hopes it will not have a negative effect on the current negotiations between Israel and the Palestinians over the withdrawal of Israeli military forces from Gaza and Jerico. It also said Tokyo strongly hopes that despite the massacre, not only those parties directly involved in negotiations but all Israelis and Palestinians will exercise restraint and continue to work toward peace.

Red Army Sends Call for Support From Lebanon OW2602094294 Tokyo KYODO in English 0904 GMT 26 Feb 94

[Text] Tokyo, Feb. 26 KYODO—The Japanese Red Army, a radical group based in Lebanon's Bekka Valley, has sent a document explaining their operations to supporters in Japan and calling for more support, sources familiar with the group said Saturday.

The document, titled "Let's Become Guerrilla Warriors," tell in detail about how the extremist group spend their daily lives and engage in training as guerrillas. The document is about 140,000 words long.

The document was likely written before an agreement last September between Israel and the Palestine Liberation Organization (PLO) on Palestinian self-rule in Israeli-occupied territories.

The Red Army has been working under the Popular Front for the Liberation of Palestine, a more militant arm of the PLO.

The paper describes the group's military training and daily lives in camps where they said they can watch international satellite news programs such as Cable News Network.

They wake up at 6:00 A.M. and go to bed at 10:00 P.M. and when there is a holiday or a member has a birthday they make Japanese traditional foods such at rice balls and "kamaage-udon," the document said.

The extremists, always carrying handguns and wearing military uniforms mainly made in South Korea, live in block-like huts in the summer and winter and live in tents the rest of the year.

The group calls for more support from Japan, saying "the day will come when the world will be united as one. It depends on us, and your way of life and strife."

Japanese authorities, noting there is a plan by supporters in Japan to publish the document as a book, said the paper was written in a more gentle manner than previously done and that the group aims to appeal to a larger audience.

The Red Army, formed in 1971, was responsible for a series of hijackings and armed attacks in the 1970s, including the 1972 massacre at Lod International Airport in Tel Aviv.

Homes of Transport Ministry Officials Attacked OW2802142894 Tokyo KYODO in English 1413 GMT 28 Feb 94

[Text] Kawasaki, Kanagawa Pref., Feb. 28 KYODO— Homes of two senior officials of the Transport Ministry in Kawasaki and Yokohama were attacked Monday night by suspected left-wing extremists, police said. No one was injured in the attacks, police said.

Explosive devices were set off simultaneously by time igniters at 9:40 P.M. [1240 GMT] at the homes of the director of the Civil Aviation Bureau in Aso Ward of Kawasaki and the chief of the bureau's engineering department in Totsuka Ward in Yokohama.

Supply of Imported, Standard-Price Rice Noted OW2602061794 Tokyo KYODO in English 0554 GMT 26 Feb 94

[Text] Tokyo, Feb. 26 KYODO—Japan's 47 prefectural governments are expected to start supplying special standard-price rice, composed entirely of imported rice, in March to secure a stable supply of the staple food, according to results of a survey released Saturday [26 February].

Of all of the prefectural governments, 46 have already decided to start supplying the rice, with the sole exception of Chiba Prefecture which is expected to make a similar decision Monday, the KYODO NEWS SERVICE questionnaire showed.

The survey also showed that the supply of such rice to consumers will lead to uniform rice prices across the nation and a 30 percent price fall from current levels.

Responding to the survey, local governments said they have no choice but to provide imported rice as special standard-price rice so as to ensure a stable rice supply following the worst postwar harvest last year.

The survey found that in almost all prefectures such rice will consist of 60 percent U.S. rice, 20 percent Chinese rice and the remaining 20 percent Thai rice.

The rice will be priced at 316 yen per kilogram, including a 3 percent consumption tax.

The Food Agency had instructed prefectural governments to start supplying special standard-price rice from March in the form of either 100 percent imported rice or a blend of 70 percent imported rice and 30 percent domestically produced rice.

Controversy Surrounding Reshuffle Issue Noted

SDPJ Secretary Kubo Interviewed

OW2702111294

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0045 GMT on 20 February in its "Discussion" program carries a 15-minute live interview with Social Democratic Party of Japan [SDPJ] General Secretary Wataru Kubo on the cabinet reshuffle being planned by Prime Minister Hosokawa. Interviewers are NHK commentator Takashi Yamamoto and Tokyo University professor Takeshi Sasaki.

Asked about the SDPJ's position on Prime Minister Hosokawa-proposed cabinet reshuffle, Kubo says: "We believe the cabinet reshuffle should not be carried out if it weakens the centripetal force of the ruling parties. Therefore, it would be best not to reshuffle the cabinet during the current, crucial period in which the Diet is being held."

He adds: "I know the prime minister has the arbitrary power to reshuffle the cabinet. However, as we are a coalition government, he should get the full understanding of the coalition partners. As members of the coalition government, we are seriously concerned about the possibility the cabinet reshuffle will produce negative results."

Citing rumors the purpose of the cabinet reshuffle is to replace Chief Cabinet Secretary Takemura, Yamamoto asks for Kubo's view.

Kubo says: "If a cabinet reshuffle is done simply to change certain ministers, it should not be termed a cabinet reshuffle."

He adds: "I do not think the cabinet should be reshuffled if the purpose is just to remove certain ministers, and it is not a good idea to carry out a reshuffle at present because Diet deliberations on the supplementary budget are about to begin."

He says any reshuffle should be carried out after the immediate political issues have been solved.

Kubo is asked about current relations between Prime Minister Hosokawa and Chief Cabinet Secretary Takemura. He says their relations are not as bad as reported.

He says: "We cannot do anything about it if the prime minister decides to reshuffle the cabinet because it is needed to keep the ruling parties united, or if he believes that unless there is a reshuffle, it will be difficult to deal with the current ordinary Diet session and the many important political issues."

He is asked how the party will respond when its chairman, Murayama, is asked by the prime minister to join the cabinet as minister in charge of political reform in place of minister Yamahana, who is an SDPJ member?

Kubo says: "It's up to the chairman."

Yamamoto takes up the issue of political realignment and asks if the SDPJ has agreed with Sakigake and the Democratic Socialist Party [DSP] to create a new political force. Kubo denies this, saying there is no behind-the-scenes agreement.

He also asks Kubo about the next general election, which will be held under the new electoral system.

Kubo says: "I think the ruling parties have to cooperate with each other as much as possible in the election. There is a feeling that the ruling parties should be unified into one party to win the election. I do not think it is right."

He says he feels it is impossible for the ruling parties to become one because of their differences in political ideals. He suggests, though, that Japan may enter an era in which politicians are divided into new conservatives and new reformists.

He is asked if it is inevitable that the SDPJ will split in the process of promoting realignment in the political world. Kubo says it is impossible to get along with party members who are negative about being part of the coalition government.

At 0115 GMT the interview ends.

Ichikawa on Size of Reshuffle

OW2702133194 Tokyo NHK General Television Network in Japanese 0003 GMT 20 Feb 94

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0003 GMT on 20 February in its 75-minute-long "Discussion" program, which begins at 0000 GMT, carries a 27-minute live interview with Komeito General Secretary Yuichi Ichikawa on the cabinet reshuffle Prime Minister Morihiro Hosokawa is said to be planning. The interview is conducted by NHK commentator Takashi Tamamoto and Tokyo University Professor Takeshi Sasaki.

Tamamoto first asks Ichikawa for his view on why Hosokawa is thinking of a cabinet reshuffle now.

Ichikawa says: "One reason is that with such major questions as the rice market, political reform, tax reductions and tax system reform, and budget formulation having been taken care of, the government thinks it has cleared a big hurdle. Another is the relationship between the top leader—the prime minister—and the chief cabinet secretary—his housekeeper or assistant. Of course they are likely to have differences of view, they are only human. But if these differences are intentionally brought to the attention of the public, it causes friction within the government and the ruling coalition. The prime minister wants to bring unity—or centrifugal power—into the cabinet now that he has surmounted the big hurdle."

Ichikawa adds: "But Mr. Takemura is an intellectual man. I don't think he will threaten to quit the cabinet if someone else becomes chief cabinet secretary."

At 0006 GMT, Professor Sasaki says some senior coalition politicians doubt the wisdom of implementing a large-scale reshuffle with the Diet deliberations on the budget bill set to begin soon. He asks Ichikawa to comment on this point of view.

Ichikawa says: "I don't think the prime minister is thinking about effecting a big-scale reshuffle."

He adds: "This is a problem created by Mr. Takemura personally."

He is then asked if there is any possibility that Sakigake [Harbinger] might drop out of the coalition as a result of such a reshuffle. Ichikawa answers that it is not a matter over which the party should quit the coalition.

At 0010 GMT, Tamamoto refers to remarks Ichikawa has made that the coalition parties should merge and become a new party. He is asked if this is the only way the coalition can retain power at the next general election.

Ichikawa says: "Unless a new party is formed, there is no point in having worked so hard to adopt the new electoral system."

Tamamoto points out that the Social Democratic Party of Japan [SDPJ], Sakigake and the Democratic Socialist Party [SDP] appear to be considering a merger without Komeito or Shinseito [Japan Renewal Party] and asks Ichikawa to comment.

Ichikawa says it is important for the SDPJ to decide its basic stand on policy on such matters as national security. He says it is meaningless to talk about forming a new party until such basic policy matters are decided. Once the policy matters are decided, however, he says they can be discussed within the framework of a new party combining all coalition partners.

At 0016 GMT, the moderator turns to rumors Komeito may cooperate with the Liberal Democratic Party [LDP] at the next general election. Ichikawa says: "We are not thinking about cooperating with the LDP."

At 0019 GMT, Tamamoto asks Ichikawa about the timing of any cabinet reshuffle. He says: "I would like to think it will be sometime after the political reform issues are cleared and before the Diet starts to deliberate the budget bills."

SDPJ Seeks Talks on Reshuffle

OW2602063494 Tokyo KYODO in English 0619 GMT 26 Feb 94

[Text] Tokyo, Feb. 26 KYODO—Wataru Kubo, secretary general of the Social Democratic Party (SDP) [of Japan—SDPJ], called on Prime Minister Morihiro

Hosokawa Saturday [26 February] to quickly meet with his coalition partners to determine if a cabinet reshuffle is necessary.

Kubo, appearing on a Fuji Television program, reiterated his opposition to a cabinet reshuffle designed to remove specific ministers, alluding to a reported move by Hosokawa and Shinseito co- leader Ichiro Ozawa to dump Chief Cabinet Secretary Masayoshi Takemura.

Hosokawa and his supporters in the seven-party coalition have differences with Takemura over Hosokawa's plan to introduce a so-called "national welfare tax" to replace the consumption tax, the future of Japanese politics and other key issues, political sources say.

Kubo said the SDP, the largest force in the seven-party coalition, is against a cabinet reshuffle before the start of deliberations on the fiscal 1994 budget program but that it will not part with the coalition government in protest against a cabinet shake-up.

Hata Urges Decision on Shake-Up OW2702111494 Tokyo KYODO in English 1102 GMT 27 Feb 94

[Text] Matsumoto, Nagano Pref., Feb. 27 KYODO—Shinseito [Japan Renewal Party] leader and Foreign Minister Tsutomu Hata urged Prime Minister Morihiro Hosokawa on Sunday [27 February] to swiftly reshuffle his cabinet if he really thinks it necessary. "It is a problem for us to continue lengthy discussions like this," Hata said, referring to Hosokawa's planned reshuffle expected to center on removing Chief Cabinet Secretary Masayoshi Takemura from that post.

Hata, also deputy prime minister, was speaking at a press conference in Matsumoto, central Japan, near his electoral constituency.

"It should be done as early as possible if Prime Minister Hosokawa judges it necessary at any cost," said Hata, head of Shinseito (Japan renewal party), a key ruling party that along with the Buddhist-backed Komeito [Clean Government Party] supports a cabinet shake-up.

Hosokawa's shake-up plan has hit a snag since early February, facing opposition from three of the seven ruling coalition parties—the Social Democratic Party [of Japan] (SDP) [SDPJ], the Democratic Socialist Party (DSP) and Sakigake (Harbinger).

Hata's remarks came amid worries in the coalition that a prolonged crack over a reshuffle might adversely affect government efforts to address domestic and foreign policy matters, particularly a trade friction with the United States, coalition sources said.

In an earlier speech Sunday, Hata said that politics will remain stagnant and that Hosokawa should be brave to move "either one, two or 10" cabinet members if necessary.

Hata denied an intention of replacing Takemura as chief cabinet secretary, saying duties for a party leader and for the top government spokesman will necessarily be incompatible.

Hata criticized the SDPJ, the DSP and Sakigake for their moves toward uniting social democrats and liberals into a joint front. "Can we maintain the coalition if we are split into two groups?" he asked, noting a new election system for the House of Representatives.

The next general election is almost certain to be fought under the political reform legislation package, enacted last month, which introduces 300 single-seat constituencies plus 200 seats chosen through proportional representation. The present 511-seat lower house was elected through 129 multiseat districts to which two to six seats are allocated.

Many mass media surveys have predicted a victory for coalition parties against the opposition Liberal Democratic Party (LDP) if they are united, but a loss if they separately field candidates in the next general election.

Shinseito and Komeito, which are considered as the coalition's propelling groups, have called for establishing a two-party system under the political reform legislation, while the SDPJ, DSP and Sakigake oppose an immediate two-party system and favor a "moderate multiparty system."

Hosokawa, head of the Japan New Party (JNP), at first voiced support for the moderate multiparty system. But earlier this month he instructed top JNP aides to consider uniting the seven coalition parties into one against the LDP to prepare for the next general election.

Labor leader Akira Yamagishi, whose Rengo labor organization provides the main base of support for the SDPJ and DSP, says he expects there will be three main parties in the future—the LDP, a new conservative party, and a nonconservative one.

Politicians Comment on Issue

OW2702133294 Tokyo KYODO in English 1258 GMT

[Text] Tokyo, Feb. 27 KYODO—Prime Minister Morihiro Hosokawa intends to continue efforts throughout this week to pursue timing for a cabinet reshuffle that is expected to focus on removing Chief Cabinet Secretary Masayoshi Takemura from that key post, political sources said Sunday.

Hosokawa said Sunday he will deliver a policy speech to the Diet probably on March 7 instead of Friday as earlier planned.

The remark appeared to mean that the prime minister will continue talks on a cabinet shake-up with leaders of seven coalition parties by the end of this week.

The Social Democratic Party [of Japan, SDPJ], the Democratic Socialist Party and Takemura's Sakigake, however, remain opposed to an early cabinet reshuffle.

Takemura, appearing Sunday on NHK-TV's "Political Debate" talk show, said he thinks a reshuffle is desirable around two months later from now after seeing the fiscal 1994 budget pass the Diet around early May. But Takemura said it is finally up to the prime minister to decide whether to shake up the cabinet and that he will not oppose Hosokawa's decision.

Shinseito (Japan Renewal Party), a core party in the ruling coalition, which has pushed for an early cabinet reshuffle, indicated having second thoughts on the reshuffle, political sources said.

On the same NHK-TV program, senior Shinseito official Kozo Watanabe said, "it's one idea that the present cabinet should be in office until the passage of fiscal 1994 budget through the Diet," expected in May. Watanabe, however, reiterated Shinseito's position to support Hosokawa if he decides to reorganize the nearly sevenmenth-old cabinet.

Shinseito leader and Foreign Minister Tsutomu Hata, speaking at a news conference in the central Japan city of Matsumoto, Nagano Prefecture, said Hosokawa should swiftly reshuffle the cabinet if he really thinks it necessary. "It is a problem for us to continue lengthy discussions like this," Hata said.

Hata, also deputy prime minister, said, "it should be done as early as possible if Prime Minister Hosokawa judges it necessary at any cost."

Meanwhile, a top official of the Social Democratic Party of Japan (SDP) said Sunday "a cabinet shake-up may be physically difficult" because of tight political schedules ahead. The SDPJ official, speaking on condition of anonymity, said "a reshuffle cannot be done in one day even if the prime minister wants to do so."

Hosokawa has said that he may reshuffle the cabinet after the passage of a third supplementary budget for fiscal 1993 and the enactment of amendments to political reform legislation.

The 2.19 trillion yen extra budget became law on Wednesday, while the amended package for political reform laws is expected to pass the Diet as early as Thursday.

On Friday, the cabinet will submit to the Diet the 73.08 trillion yen budget for fiscal 1994. Hosokawa and three cabinet ministers will give policy speeches to both houses of the legislature on March 7.

Many sources in the coalition have said the planned cabinet shake-up is aimed at removing Takemura from the post of chief cabinet secretary which serves as the top government spokesman and chief of staff for the prime minister.

Since the close of last year, Hosokawa and Takemura have differed over several important political themes, first on the partial opening of Japan's rice market, then on the handling of political reform bills, and on the imposition of a 7 percent "national welfare tax" in place of the 3 percent consumption tax, political sources said.

SDPJ Chairman Tomiichi Murayama, speaking on "Political Debate" and on TV Asahi's "Sunday Project" talk show, called for a summit among leaders of the seven ruling parties before Hosokawa reshuffles the cabinet. "It is natural to seek consensus through talks among the parties to strengthen the foundation of the coalition government," Murayama said.

The head of the largest party of the coalition reiterated that a reshuffle targeted at a specific minister "smells something like a power struggle" and that "this is not the time to carry out a cabinet reshuffle."

Takemura Views Cabinet Reshuffle

OW2802053294

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0000 GMT on 27 February in its weekly 75-minute "Discussion" program, carries a 25-minute live interview with Masayoshi Takemura, chief cabinet secretary and leader of Sakigake, by NHK commentator Takashi Yamamoto and Tsukuba University Professor Ikuo Kawashima.

Asked by Yamamoto to explain his relations with Prime Minister Morihiro Hosokawa, Takemura says recent media reports are distorted, exaggerated, and one-sided. He says he is maintaining close and friendly ties with the prime minister and "there is no discord between us." Takemura admits, however, that he has a slightly different view from that of the prime minister over the issue of a future merger between the Japan New Party [JNP] and Sakigake: "I cannot deny that there is a subtle difference of opinion between Mr. Hosokawa, who thinks seriously about the future of the political world, and myself, who is representative of the new party Sakigake," Takemura says he and Hosokawa agreed to have frank discussions in the near future on whether or not the two parties should become one, as previously announced publically. Asked to comment on the report that the aim of the planned cabinet reshuffle is to replace the chief cabinet secretary, Takemura says: "The prime minister told me the day before yesterday that he is still undecided. He has still not determined whether he will reshuffle the cabinet. He said he would consult with me first if he decides to do so." Takemura adds: "I am determined to resign from my post if the prime minister asks me to. I have no intention of clinging to the post of chief cabinet secretary."

Asked by Kawashima if he will accept an offer to remain in the cabinet, Takemura replies that he has still not made up his mind. On the possibility of seceding from the coalition, Takemura says: "It is unlikely. We will support Prime Minister Hosokawa by all means as long as he remains in power."

Citing remarks by Komeito's Yuichi Ichikawa on the cause of the discord between Takemura and the prime minister, Yamamoto asks if there were differences of opinion between them on important issues, such as rice and political reform. Takemura says he never expressed opposition to the prime minister's policies regarding these important issues. Takemura reiterates that he fully supports and will continue to support the prime minister, saying: "I have never voiced protest against the prime minister."

Yamamoto then returns to the cabinet reshuffle issue and asks Takemura if he is against it. Takemura says it is difficult for him to comment on this issue because people will think he is insisting on remaining in the post of chief cabinet secretary if he says he is against a reshuffle. He says he has "no intention of opposing the prime minister's final decision at all."

Asked to comment on the possible formation of a new political force involving the Social Democratic Party of Japan [SDPJ], Democratic Socialist Party [DSP], and Sakigake, Takemura says nothing concrete has been decided nor is there a blue print. He says: "Discussions on the formation of a new political force have not progressed as yet." He adds: "I merely said that it is desirable for political parties or political groups that are close to each other, to cooperate in the next elections."

On the issue of a future merger, Takemura says: "Members of the two parties have been maintaining friendly ties. I heard they have deepened their relations. There is no need to hurry, but I hope we move in a good direction." Asked if Sakigake will cooperate with the Liberal Democratic Party [LDP] in upcoming elections, Takemura says: "We cannot work with the old LDP. I hope the LDP will become a new party soon."

Asked what he thinks of Ichiro Ozawa, Takemura says: "As far as political reform is concerned, Mr. Ozawa and I share similar views. Although our personalities or political styles are different, I am sure we can cooperate with each other within the framework of the Hosokawa administration."

The interview concludes at 0025 GMT.

Drastic Reshuffle Said Considered

OW2802123794 Tokyo KYODO in English 1209 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Prime Minister Morihiro Hosokawa is considering drastically reshuffling his nearly seven-month-old cabinet by the end of the week, political sources said Monday [28 February].

Hosokawa's planned reshuffle is expected to center on removing Chief Cabinet Secretary Masayoshi Takemura from his post. The premier is likely to offer Takemura another ministerial post, the sources said.

The prime minister aims to change a number of ministers in his 20-member cabinet in order to tackle economic and administrative reform, they said.

Hosokawa formed his first cabinet in August to carry out political reforms, and he apparently thinks the cabinet will have accomplished its purpose when amendments to the political reform legislation are approved by the Diet on Thursday or Friday, the sources said. The legislation was enacted in January.

Hosokawa on Tuesday will begin hearing opinions of ruling party leaders on his reshuffle plan and he wants to complete the shake-up before he delivers his policy speech to the Diet probably on Friday, they said.

The seven ruling parties have split over Hosokawa's reshuffle plan, with the Social Democratic Party [of Japan] (SDP) [SDPJ], the Democratic Socialist Party and Takemura's Sakigake [Harbinger] opposed to dumping Takemura, while Shinseito [Japan Renewal party] and Komeito [Clean Government Party] supporting the plan.

Since the close of last year, Hosokawa and Takemura have differed on several important political issues, first on the partial opening of Japan's rice market, then on the handling of political reform bills, and on the imposition of a 7 percent "national welfare tax" in place of the 3 percent consumption tax, the sources said.

Hosokawa is also likely to abolish the post of state minister in charge of political reform, now held by the SDPJ's Sadao Yamahana, but is considering installing new state ministers in charge of decentralization of power, deregulation, and external economy, they said.

The premier wants to retain Justice Minister Akira Mikazuki because the Tokyo district public prosecutors office has been investigating a series of bribery scandals involving construction companies and politicians, the sources said.

Hosokawa will allocate almost the same share of ministerial posts to the various coalition parties as they hold in the present cabinet, they said.

On Friday, the cabinet will submit to the Diet the 73.08 trillion yen budget for fiscal 1994. Hosokawa and three cabinet ministers are expected to give policy speeches to both houses of the legislature the same day.

Hosokawa To Deliver Diet Policy Speech 7 Mar OW2702120294 Tokyo KYODO in English 1152 GMT 27 Feb 94

[Text] Tokyo, Feb. 27 KYODO—Prime Minister Morihiro Hosokawa said Sunday [27 February] he will deliver a policy speech to the Diet probably on March 7 instead of Friday as earlier planned. Responding to a reporter's question if the speech will be on March 7, Hosokawa said, "Yes. It will probably be so."

Hosokawa also said his government is likely to submit the 73.08 trillion yen budget for fiscal 1994 to the Diet on Friday.

The prime minister, foreign minister, finance minister and the economic planning agency director general usually give speeches in late January at the start of a 150-day ordinary Diet session.

Hosokawa and the three ministers have yet to deliver the speeches to the Diet because of a delay in the compilation of the state budget for fiscal 1994 which starts April 1.

The government usually compiles the budget at the year-end but this time carried compilation over to February because of prolonged deliberations on the political reform package, which was enacted in January.

Reiterates 7 Mar Speech Plan

OW2802011794 Tokyo KYODO in English 0107 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Prime Minister Morihiro Hosokawa on Monday [28 February] reiterated he will make a policy speech to the Diet on March 7, instead of initially scheduled March 4.

Hosokawa repeated his intention to reporters at the prime minister's official residence. Responding to a reporter's question if the speech will be on March 7, he said, "yes...Probably so."

A government source on Monday said preparations were continuing on the speech to be in time for March 4. The source also said postponement of the policy speech was not caused by a delay by government officials.

The prime minister, foreign minister, finance minister and the Economic Planning Agency director general usually give speeches in late January at the start of a 150-day ordinary Diet session.

Hosokawa and the three ministers have yet to deliver the speeches to the Diet because of a delay in the compilation of the state budget for fiscal 1994 which starts April 1.

Apologizes for Causing 'Confusion'
OW2802045594 Tokyo KYODO in English 0446 GMT
28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Prime Minister Morihiro Hosokawa apologized Monday [28 February] for causing confusion over his repeated remarks that he will deliver a policy speech to the Diet on March 7.

He told reporters he does not know when he will make the speech, because the Diet's Steering Committees have the power to make the decision. Chief Cabinet Secretary Masayoshi Takemura told a news conference that the coalition government will arrange for the prime minister to make the speech on Friday.

Hosokawa reiterated Sunday that he would make the speech on March 7, instead of this Friday as initially scheduled.

He said, "the government is scheduled to submit the fiscal 1994 budget on March 4. It is being argued on the basis of past custom that the prime minister should make a policy speech on the day when the budget bill is submitted to the Diet."

Wataru Kubo, secretary general of the Social Democratic Party, said at a news conference that it will be difficult for Hosokawa to reshuffle his cabinet prior to parliamentary deliberations on the fiscal 1994 budget program if the premier delivers his policy speech on Friday.

Ichikawa Interviewed on Party Realignment OW2602060194

[Editorial Report] Tokyo FNN Television in Japanese at 2230 GMT on 19 February in its "News 2001" program carries a live 39-minute interview with Yuichi Ichikawa, general secretary of Komeito, by FNN announcers Yuji Kuroiwa and Kaori Matsuyama, political commentator Kennichi Takemura, and Keio University professor Yoshiaki Kobayashi at the FNN studios.

Kuroiwa asks Ichikawa about a realignment of the political parties and a cabinet reshuffle. Ichikawa responds: "I think it is nonsense to talk about a realignment of the political parties at the present stage. I have never consulted the prime minister about a cabinet reshuffle, but it is up to the prime minister." Ichikawa criticizes Chief Cabinet Secretary Takemura, saying: "At news conferences, the chief cabinet secretary has spoken of policy differences between the prime minister and his cabinet. The chief cabinet secretary has also spoken about important policy matters before the government and ruling coalition parties discuss them. His actions have created a rift within the ruling coalition parties, and this has been repeated on several occasions."

Commenting on the timing of a cabinet reshuffle, Ichikawa says: "I believe the cabinet will be reshuffled when the package of political bills are put into effect. There is a possibility the cabinet will be reshuffled before Diet deliberation of the 1994 budget bill begins."

Discussing the scope of the cabinet reshuffle, Ichikawa states: "The cabinet reshuffle will not be confined to the replacement of the chief cabinet secretary. I believe many other cabinet members will be replaced."

Discussing the formation of a new party, Ichikawa states: "Currently there is the opposition Liberal Democratic Party (LDP). We intend to fight in the elections by forming a new party which can take over the reigns of government."

Asked by Kuroiwa about the possibility of the Social Democratic Party of Japan (SDPJ), Sakigake (the Harbinger Party), and Komeito being merged into a new party, Ichikawa cites the difficulty involved in forming the present coalition government, but does not rule out the possibility, adding that the "SDPJ should have policies compatible with the key role it is playing in the coalition government."

Commenting on Chief Cabinet Secretary Takemura's statement that Sakigake, the SDPJ, and the Democratic Socialist Party should field unified candidates in the next election to counter candidates running on the Shinseito (Japan Renewal Party) and Komeito tickets, Ichikawa accuses Takemura of making such a statement, stating: "The chief cabinet secretary is in a position to hold the ruling coalition parties together. What is at issue is that he is going against the unity of the ruling coalition parties."

Asked by Kuroiwa about Ozawa's vision for building Japan into an ordinary nation, Ichikawa replies: "Ozawa's vision envisions the far future."

Discussing Japan's future contribution to the international community, Ichikawa says: "I believe Japan can make the contribution based only on the five principles of the PKO; this contribution can win the people's understanding."

Reformists Form New Group in Upper House OW2802073794 Tokyo KYODO in English 0657 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Two Diet members who rebelled against their parties over political reform legislation formed a new parliamentary group aimed at protecting voters' choice on Monday [28 February], their aides said. Hideo Den, a former journalist who was expelled from the United Social Democratic Party (USDP), joined with Masao Kunihiro, formerly of the Social Democratic Party [of Japan] (SDP) [SDPJ] to establish it, they said.

The group, in the House of Councillors, is called Goken Liberal No Kai (Liberal Group for the Protection of the Constitution).

Both Den and Kunihiro had defied orders by their former parties—members of the ruling coalition—and voted against a package of political reform legislation that cleared the Diet on January 29.

The two, who now sit in the upper house as independents, said the reforms for the House of Representatives, featuring an electoral system of 300 single-seat constituencies and 200 proportional representation seats, will deny voters the chance to support those with minority views.

Besides the new group, the lineup in the upper house includes 95 members of the opposition Liberal Democratic Party, 71 from the SDPJ, 37 from ruling coalition

Shin-Ryokufu-Kai, formed in early February, 24 from Komeito, 11 from the opposition Japanese Communist Party (JCP), five from Niin Club and seven independents.

Fujii's Tax Plan Not 'International Commitment'
OW2802032094 Tokyo KYODO in English 0254 GMT
28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Japan's plan to extend a one- year tax reduction for fiscal 1994 is not an international commitment, a government source said Monday.

Finance Minister Hirohisa Fujii told Treasury Secretary Lloyd Bentsen at their meeting near Frankfurt, Germany, that the planned income and residential tax cut is but a first step toward a more full-fledged tax reduction in the future.

The source said Fujii made the remarks "on an assumption that the ongoing debate over tax reforms will produce conclusion in one year."

"They're not an international pledge," the source said.

The government has been discussing a dramatic overhaul of the country's taxation system, with a more perpetual tax reduction on the agenda. The tax debate is scheduled to come up with some conclusions by the end of the year.

70 Percent of New Districts Follow Kaifu Plan OW2602080794 Tokyo KYODO in English 0754 GMT 26 Feb 94

[Text] Tokyo, Feb. 26 KYODO—Seventy percent of 300 single-seat constituencies being set up under new political reform bills will be redrawn according to a 1991 plan presented to then Prime Minister Toshiki Kaifu, according to a survey released Saturday [26 February].

A KYODO NEWS SERVICE survey of politicians and people concerned in 47 prefectures found that more than 200 new single-seat districts will be invented according to the draft plan.

Only 60 to 70 districts, mostly in the densely populated Kanto and Kinki regions, will be newly created under legal procedures after the expected passage of an amendment of the package of political reform bills in early March.

The political reform bills, which were approved in January after a long battle in the Diet, calls for replacing the present 511 multiseat constituencies for the lower house with a mix of 300 single-seat constituencies and 200 proportional representation seats.

In about 45 new single-seat constituencies, the ruling coalition parties must single out their candidates since they have more than one incumbent lower house member in corresponding present multiseat districts.

The opposition LDP, which was ousted from power last August by the coalition government headed by Prime Minister Morihiro hosokawa, must make similar adjustments of their candidates in about 35 single-seat districts.

Totally new districts in which there are virtually no "incumbent" members will come into existence as well, with the number of such districts reaching more than 90 for the ruling parties and nearly 120 for the LDP.

The 8th Election System Council, a government advisory council, submitted the draft plan for redrawing electoral districts for the lower house in June 1991 to Kaifu, then prime minister and LDP president.

In drawing up the 300 single-seat constituencies, the council set 549,000 as an upper limit for the population of a voting district and 274,000 as a lower limit.

The population of six of the proposed constituencies will be allowed to remain below 274,000 as exceptions.

On the council's plan, many of those surveyed complained that it ignores regional history and geographical conditions, but some said another plan would cause problems such as contradiction of the weight of vote per voter.

Kaifu and his LDP successor Kiichi Miyazawa were dislodged from power due to their failure to achieve political reform.

Kaifu, speaking to the LDP's local convention in Nagoya, central Japan, said Saturday politicians should not intervene in redrawing the single-seat districts.

The government "should redraw (the electoral districts) fairly by entrusting the task with a third organization," he said.

Economists Split Over BOJ's Tankan Survey OW2802052394 Tokyo KYODO in English 0512 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Private-sector economists are split over whether the Bank of Japan's (BOJ) closely watched Tankan business survey will show an improvement in the economic state, a KYODO NEWS SERVICE survey found Monday [28 February].

Twenty-one economic research institutes surveyed put at average minus 56 the business confidence index for major manufacturers in the BOJ report, with predictions ranging from minus 51 to minus 60. The index stood at minus 56 in the previous BOJ report, published in December.

The quarterly report, based on a survey taken in February, will be issued at 2 PM Tuesday.

In the KYODO poll, nine of the surveyed institutes projected an improvement in the figure, while eight expected a decline.

Some of the forecasters who are relatively optimistic reasoned that the economy, already crawling at bottom, could not deteriorate further.

Others cited signs of recovery in durable goods sales, firmer showing of stock prices, and the yen's downslide in early February when the BOJ survey is thought to have been taken.

But even optimists are cautious because the signals of recovery that appeared in recent economic statistics may be affected by corporate efforts to make financial results better than they are before the book closing at the end of March.

An official with Okasan Economic Research Institute said, "maybe, the brightness is only for the January-March period. We want to wait for April figures before making any diagnosis on the economy."

Pessimists, meanwhile, attributed their forecasts to continuously depressed sales and political instability.

The research section of the Industrial Bank of Japan (IBJ), regarded as one of the country's most reliable forecasting institutions, said, "the economy remains in poor shape with effects from higher share prices and a weaker yen limited."

The KYODO survey also found that 18 surveyed institutes predicted the confidence index for major nonmanufacturers at average minus 47, unchanged from the figure in the previous report.

Their forecasts ranged from minus 42 to minus 50, with eight seeing better results and six worse.

Real Household Spending Declines in 1993 OW2802081594 Tokyo KYODO in English 0703 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Japan's household spending in 1993 posted the first decline in real terms in 12 years, reflecting the prolonged recession, the government said Monday [28 February].

Households spent an average 335,246 yen every month last year, down an inflation-adjusted 0.6 percent from the year before.

Family expenditures last fell in real terms in 1982, when average monthly household spending slipped 0.8 percent, the Economic Planning Agency (EPA) said in a preliminary report.

Households of wage earners decreased their spending by a real 0.4 percent to 355,276 yen for the first decline in 13 years, in line with a marginal 0.1 percent rise in their average monthly income in the year to 570,545 yen.

The barely perceptible rise in income, attributed to reduced bonuses and income from part-time work, was the lowest increase since 1981, when an oil crisis paralyzed the Japanese economy.

Expenditures by households of nonwage earners were down 1.1 percent to 300,050 yen a month on average, the first fall in four years.

For all categories of households, spending was down last year on foodstuffs, housing, furniture, clothes and education.

Outlays increased on utilities charges, medical care, transport and communications, and entertainment.

For December, household spending rose 0.4 percent from a year earlier to 438,233 yen, the third straight month of gain following a 1.4 percent increase in November and 0.4 percent rise in October.

Despite the recovery in overall spending, however, wage earners' households spent less in the latest reporting month, with their income continuing to be depressed.

Those households spent an average 474,156 yen, down 0.2 percent from a year earlier and the eighth consecutive month of decline from year-earlier levels, which is the longest losing streak since the agency started compiling the statistics under the current formula.

Income of wage earners' households in December was down 0.2 percent to 1,213,090 yen, with the winter bonus paid in the month showing a 0.9 percent decline.

Spending by households of nonwage earners, in contrast, rose 1.1 percent to 373,485 yen.

An EPA official said it is "uncertain whether the nation's household spending has really been picking up as long as wage earners' households keep their purse strings tight."

In December, spending on housing, durable goods, medical care, transport and communications, and entertainment increased, while outlays on foodstuffs, utilities charges, and clothing fell, the report said.

MITI Reports Industrial Output Rises Slightly OW2802080294 Tokyo KYODO in English 0732 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Japan's industrial production edged up 0.9 percent in January from the previous month in a modest rebound from December's 1.9 percent decline, the trade ministry said Monday [28 February].

The seasonally adjusted production index for the mining and manufacturing sectors came to 88.6 against a base of 100 for 1990, the Ministry of International Trade and Industry (MITI) said in a preliminary report.

But despite the rise, the index was still at its third-lowest—after December's 87.8 and October's 87.6—since the 1990 base was introduced in May.

Production continues to slump, although a production outlook index for the manufacturing sector indicates

rises there in February and March, MITI said, adding that coming movements in final demand must be closely watched.

Shipments rose 0.6 percent in January with the index at 89.9, compared with the 0.7 percent decrease logged in December.

The inventory index dipped 0.4 percent to 107.9, adding to December's 0.9 percent decline.

The ratio of inventory to sales fell 3.2 percent in January to 122.0, slipping back from the record high set in December when the ratio rose 1.6 percent.

Monday's figures cap a half year of alternating ups and downs in Japan's industrial production, which saw a 2.2 percent gain in November in reaction to October's record 5.5 percent drop. That followed a 2.2 percent September gain and a 1.2 percent fall in August.

On an unadjusted basis, January's industrial production was down 3.1 percent from a year before, extending a record string of year- on-year declines to 28 months.

Patches of brightness are appearing, such as production and shipment of small cars, light trucks and computer equipment, but it is too early to say that the economy is bottoming out, said Koichi Yoshimoto, head of MITI's statistical analysis division.

With those gains helping the electric machinery and transportation equipment sectors, "the possibility seems high" that next month's projections for manufacturing production will show a third straight gain in April, he said. But he added there is not enough data to confirm a trend.

As the Bank of Japan has said in recent reports, Yoshimoto told reporters that Japan's corporate capital spending remains in a slump, while only isolated improvements are visible in personal consumption.

He cited a pickup in purchases of video cameras and discs in recent months.

Among production gainers in January were electric, general and transportation equipment, while precision machinery, ceramics and steel declined, the MITI report said.

Reporting higher shipments were transportation and electric equipment and nonferrous metals, while shipments fell in the metal products, general machinery and steel sectors, it said.

Despite its higher production and shipments, the transportation equipment sector also had higher inventories.

Inventories increased for oil and coal products, but declined for most other sectors, notably electric machinery, chemicals, and plastic products.

North Korea

Joint U.S. Agreement on Nuclear Issue Reported SK2802064194 Pyongyang Korean Central Broadcasting Network in Korean 0605 GMT 28 Feb 94

[Text] The DPRK and the United States have agreed on imminent simultaneous action measures [tangmyonghan tongsi haengdong chochi].

The DPRK-United States of America [mihapchungguk] contact took place on 25 February.

A letter of agreement on the DPRK-U.S. New York contact was adopted at the contact and released in New York.

The following is the letter of agreement:

The Letter of Agreement on the DPRK-U.S. New York Contact

With the purpose of continuing their joint efforts to resolve the nuclear issue through dialogue according to the principle of the 11 June 1993 DPRK-U.S. joint statement, the DPRK and the United States of America held a number of rounds [yorocharye] of contact in New York.

As a result of such consultations, the DPRK and the United States of America agreed to take the following four measures on 1 March 1994:

- 1. The United States of America will announce its decision to consent to [tongui] South Korea's discontinuation [chungji] of the Team Spirit-94 joint military exercise.
- 2. Inspections for ensuring the continuity of safeguards will begin according to the agreement between the International Atomic Energy Agency [IAEA] and the DPRK on 15 February 1994 and finish [wallyo] by the time on which the IAEA and the DPRK agreed.

3. Working-level contact for the North-South exchange of special envoys will resume in Panmunjom.

4. The DPRK and the United States of America will announce that the third round of DPRK-U.S. talks will start on 21 March in Geneva.

These four simultaneous measures [tongsi chochidurun] are necessary for implementing this letter of agreement.

[Dated] 25 February 1994, New York

KCNA Carries 25 Feb Agreement

SK2802110194 Pyongyang KCNA in English 1054 GMT 28 Feb 94

[Text] Pyongyang, February 28 (KCNA)-A contact between the Democratic People's Republic of Korea and the United States of America was held in New York on February 25.

The agreed conclusions of the DPRK-USA talks were adopted and made public in New York.

The text of agreed conclusions reads:

Agreed Conclusions of the DPRK-USA New York

The Democratic People's Republic of Korea and the United States of America have held a series of talks in New York, with the purpose of making continued joint efforts to resolve the nuclear issue through dialogue according to the principles of the DPRK-USA joint statement of June 11, 1993.

Pursuant to the consultations both sides have agreed to take four simultaneous steps on the 1st of March, 1994 as follows:

- 1. The USA announces its decision to agree with the ROK's suspension of "Team Spirit" 1994 joint military exercise.
- 2. The inspections necessary for continuity of safeguards as agreed between the IAEA [International Atomic Energy Agency] and the DPRK on the 15th of February, 1994 begin and will be completed within the period agreed between the IAEA and DPRK.

3. The working level contacts resume in Panmunjom for

the exchange of North-South special envoys.

4. The DPRK and USA announce that the 3rd round of DPRK-USA talks will begin on March 21, 1994 in Geneva.

Each of these simultaneous steps is required for the implementation of these agreed conclusions.

February 25, 1994, New York

Military Claims U.S. Conducts 'Aerial Espionages'

SK2702091994 Pyongyang KCNA in English 0811 GMT 27 Feb 94

[Text] Pyongyang, February 27 (KCNA)—The U.S. imperialists have run amok in aerial espionages against the northern half of Korea by massively mobilizing strategic and tactical reconnaissance planes of different types, according to military sources.

In the period from February 21 to 24 strategic reconnaissance planes committed aerial photographing and electronic reconnaissance on the areas of the North as a whole repeatedly making flights between Kangnung and Tokjok Islet in the West Sea of Korea.

On Feb. 25, twelve reconnaissance planes including RV-1 and RC- 12 made day-and-night cross flights between Tokjok Islet and Chunchon, between Chunchon and Kangnung and between Yonchon and Kanghwa Island for photographing and reconnaissance on the frontline and the eastern and western coastal areas of the North.

U-2 high-altitude strategic reconnaissance plane committed photographing and electronic reconnaissance on the depths of the North on 29 occasions in February.

The U.S. imperialists' aerial espionages against the North via high-altitude strategic reconnaissance planes, Army and Airforce tactical reconnaissance planes and early warning planes number more than 190 cases in February.

All these aerial espionages clearly show that the U.S. imperialists are desperately stepping up their preparations for another war of aggression against the northern half of Korea.

Red Cross Statement on Forestry Workers Cited

SK2602100994 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 25 Feb 94

[Text] The Central Committee of the DPRK Red Cross Society released a statement on February 24 denouncing the recent scheme of the South Korean authorities to move Korean compatriots in Sakhalin, Russia, to South Korea in conspiracy with the Japanese Government.

The statement reads:

The South Korean authorities have recently been working insidiously in conspiracy with the Japanese Government to take Korean compatriots in Sakhalin, Russia, to South Korea. It has been learned that in mid-January, the South Korean authorities met with the delegations of the Japanese Foreign Ministry and Red Cross in Russia to open a deal to move Korean compatriots in Sakhalin, Russia, to South Korea. Under the name of "Site Inspection Delegation," they attempted to seize applicants to return and settle in South Korea.

The South Korean rulers, absurdly contending that the issue of Korean compatriots in Sakhalin, Russia had once been political, but is now a purely humanitarian issue, revealed their intention to settle this issue by receiving a small amount of money from the Japanese Government as traveling expenses for the Sakhalin residents.

As the whole world knows, the Korean compatriots came to this totally strange land of Sakhalin because they were forcibly brought there by Japanese imperialists during the illegal occupation of Korea under the outrageous "general mobilization order" and were driven like mules before being abandoned in Sakhalin.

Therefore, it is not a mere humanitarian problem but a serious political issue. How can the problem suddenly lose its political nature and change into a purely humanitarian problem, when the Japanese Government has neither officially apologized to the Korean people nor compensated for past crimes?

The attempt by the South Korean authorities to settle the issue of Korean compatriots in Sakhalin with a small amount of travel expenses by the criminals while ignoring the political nature of the issue is an absolutely intolerable crime not only in terms of our nation's dignity and interest but also from the lofty humanitarian point of view.

The Central Committee of the DPRK Red Cross Society brands this crafty and insidious scheme of South Korean rulers to move Korean compatriots living in Sakhalin to South Korea as a treacherous and hostile act selling the dignity and interest of the nation for a pittance, and as shameless political fraud cheating and fooling our compatriots, and resolutely denounce this by the name of the whole nation.

There are nearly 500,000 Koreans, who were forcibly taken to the Far East by the Japanese imperialists, and their descendants are scattered in Russia and in the former Soviet Union. Therefore, the problem of Koreans taken to the Far East by the Japanese imperialists is not a matter restricted to some 40,000 Koreans residents in Sakhalin but a serious matter which can be solved only when the Japanese Government apologizes and compensates all Koreans who live in the former Soviet Union.

Our nation has the right according to international law to receive an apology and claim compensation from the Japanese Government for the national misfortune and sufferings experienced by all the Koreans overseas, not to speak of the 500,000 Korean compatriots who reside throughout the former Soviet Union, for nearly one whole century.

This notwithstanding, the South Korean rulers are trying to settle the issue with Japan by deceiving a small percentage of Sakhalin-resident Koreans and ignoring and sacrificing the interest of the majority of Korean compatriots scattered in the former Soviet Union. This is merely a shallow trick motivated by sinister intentions.

The South Korean rulers, under a humanitarian mask, launched a deceptive "charity" offensive among the Sakhalin-resident Koreans motivated by the sinister intention to establish an antirepublic base in the Far East of Russia and to foster discord and confrontation within the nation by winning them over, thus perpetuating the division of the country. However, our compatriots in Sakhalin who aspire for the reconciliation and unity of the nation and long for the reunification of the fatherland are not ones to be deceived by the shallow tricks of the South Korean rulers. While the South Korean rulers had their stooges distribute a false list of Sakhalin compatriots who applied to move to South Korea, most compatriots said they had never applied, nor were aware of such a fact, and those who did apply, regretted having been deceived and withdrew and gave up the applications. This stern reality straightly indicates the foolishness and shamelessness of the scheme of the South Korean rulers to snatch the national conscience and dignity of compatriots in Sakhalin with a meagre amount of money.

As all overseas Koreans who visited South Korea have confirmed, South Korean society is a corrupt and ailing society where the rich get richer and the poor poorer, and

where no political and economic guarantees are provided for the life of those who return from foreign countries.

We believe that all the Koreans in Russia and other areas of the former Soviet Union will rise up as one in the staunch struggle to reject the insidious and crafty moves of South Korean and Japanese authorities to bring them to South Korea and defend the dignity and interests of the nation.

Our nation will settle scores to the last for all the crimes committed by the Japanese imperialists in the past and will never pardon the traitors who are courting favor by selling the interests of the nation to Japan.

The South Korean rulers must act with discretion and immediately stop its antinational maneuvers to fool and cheat compatriots in Sakhalin by making them move away at a dirt-cheap price.

The Japanese authorities must earnestly apologize to the Korean people for all the crimes they committed, and provide acceptable compensation not only for Koreans in the former Soviet Union and overseas, as well as for our nation, and stop any act to block the reunification of Korea.

The South Korean and Japanese authorities must be mindful that if they persistently ignore our solemn warning to resort to base plots to move Sakhalin-resident Koreans to South Korea, they will by no means be able to evade the crime of insulting and abusing the noble humanitarian idea and will bring greater disgrace upon themselves in the eyes of the world.

[Dated] 24 February 1994, Pyongyang

Worker's Defection 'Sheer Fabrication' SK2802112094 Pyongyang KCNA in English 1107 GMT 28 Feb 94

[Text] Pyongyang, February 28 (KCNA)—A South Korean puppet radio recently spread a groundless rumor that forestry workers of the DPRK in the far eastern region of Russia asked for "asylum" in South Korea. Japanese, French, British and other reptile Western media accepted the false report and are working with extra zeal to spread the fiction of "defection" of DPRK's forestry workers.

The rumor is an unfounded propaganda and sheer fabrication, a mere intrigue to do harm to the DPRK. This is a malicious abuse and slander against the DPRK, a dignified country, and an unpardonable insult to the Korean working class who are masters of the country.

The DPRK Government bestows all solicitudes upon the Korean forestry workers who are now working devotedly in the Far East with a single resolve to contribute to the development and prosperity of the country, so that they

may feel not the slightest inconvenience in their life. And it grants many state benefits to their families in the homeland.

It is unimaginable for the Korean forestry workers to turn their back on the beloved homeland and ask for "asylum" in the cursed society of South Korea, the workers who are devoting themselves to timber production with burning patriotic zeal, encouraged by the good benevolence of the socialist system.

The rumor about "defection" of forestry workers spread by the South Korean puppets is a preposterous fabrication that could be invented customarily by two-bit shysters accustomed to telling a lie.

It is only too clear that the rumor spread by the Kim Yong-sam puppet clique as well as the persistent clamor about "nuclear suspicion" against the DPRK is aimed at tarnishing the international image of the DPRK, doing harm to the cause of anthropocentric Korean-style socialism and frustrating joint timber production in the Far East at any cost.

It is not hard to gather that also lurking behind it is the ridiculous intention of the puppets to divert elsewhere the people's attention in a bid to extricate themselves from the dilemma in which they find themselves now, hit hard at the 50th meeting of the UN Commission on Human Rights now open in Geneva for the devastated human rights issue of South Korea.

Deserving attention is the despicable move of Japanese and Western subsidized means of propaganda which readily accepted the false report and are misleading the public opinion. They have made no scruples of false propaganda, paying no heed to the authenticity of their news, for their sinister political aims and money-making. The unbiased public opinion cannot but be angry at such filthy and base behavior of theirs.

Whatever intrigues the South Korean puppets and seditious forces of the West may hatch up, they cannot break the Korean people's singlehearted, rockfirm unity, nor can they destroy the socialist system of the DPRK which is demonstrating its invincible might. It is as foolish as trying to break a rock with eggs to make an attempt at destroying the socialist system of the DPRK with intrigues.

The South Korean puppets and seditious forces of the West must look straight at the trend of the times and immediately stop their false propaganda aimed at harming the DPRK.

Daily Denounces Patriot Deployment to South SK2602052894 Pyongyang KCNA in English 0436 GMT 26 Feb 94

["Folly of Fool To Slay Fellow Countrymen"—KCNA headline]

[Text] Pyongyang, February 26 (KCNA)—An opposition "member of the National Assembly" of South Korea, in data presented recently to "the 166th extraordinary session of the National Assembly," said the Defence Ministry had included Patriot missiles in the missile purchase program. MBC (Munhwa Broadcasting Corporation) reported the Defence Ministry "explained in camera" to the "assemblymen" of the "Defence Commission of the National Assembly" that the purchase of Patriot missiles was under way.

Commenting on this, MINJU CHOSON today views this as another clear sign that the Kim Yong-sam group has become rabid in war preparations against the North.

The analyst says:

What our nation wants now is to put an end to confrontation and division and achieve peace and peaceful reunification at an early date.

Nevertheless, the Kim Yong-sam group is dancing to the drum-beating of the United States which is hastening the deployment of Patriots in South Korea, while scheming to arm the puppet army with these missiles. This is aimed at slaying the fellow countrymen in the North in league with outside forces.

If the puppets' war moves are overlooked, the 70 million people of Korea would not be spared of a nuclear war disaster.

Their reckless acts to overpower the North will lead them to destruction. We are keeping close scrutiny over the Kim Yong-sam group's war provocation moves and will never tolerate any provocation.

ROK President's 25 Feb News Briefing Criticized SK2702084594 Pyongyang KCNA in English 0831 GMT 27 Feb 94

["Disgusting Tirade of Fool"-KCNA headline]

[Text] Pyongyang, February 27 (KCNA)—The traitor Kim Yong-sam, a puppet, at a "press conference with home and foreign reporters upon the lapse of one year since his assumption of office" on February 25 prided himself on his "achievements", saying he has "devoted his body and soul" for something and has "done his utmost" during his term, and made quite a noise as if he would accomplish "something great" in the future, a Seoul-based radio reported.

Such rigmarole of the traitor Kim Yong-sam is nothing but a disgusting jargon of a political mountabank aimed at prettifying his disgraceful records woven with arch crimes of flunkeyism and treachery, fascism and repression, division and confrontation and, at the same time, at dampening the unyielding fighting spirit of the South Korean people who decisively rose in struggle to topple the "civilian" regime, and at maintaining at any cost the colonial puppet regime now driven to the crisis of destruction.

The traitor openly revealed his wicked intention of division and confrontation when he took issue with the fictitious "nuclear problem" of the North, arguing in a far-fetched manner that "the North's nuclear problem is a stumbling block in the way of reunification".

This time he made a gesture as if he were intending to bring 'about any change in the North-South relations, saying "the North has no nukes" and he "would promote summit talks when the talks could be considered helpful to checking the North's nuclear development". This means, in the final analysis, that he admitted of his own accord that his clique's criminal "policy against the North" in the last one hear was wrong.

His attempt to find a solution to the North-South relations by taking issue with the North's "nuclear problem" cannot be construed otherwise than a mode of thinking of a stupid fellow running about like a headless chicken, lost to reason.

The Korean nation will never pardon the foolish Kim Yong-sam group, the source of national disaster which is nonspiring with outside forces to harm and stifle the same fellow countrymen, engaging itself in fascism, suppression, division and confrontation.

Daily Ridicules News Conference

SK2802124894 Pyongyang Korean Central Broadcasting Network in Korean 0832 GMT 28 Feb 94

[NODONG SINMUN 28 February commentary: "Appeal of a Fool Who Fell in a Pit"]

[Text] The traitor Kim Yong-sam held a so-called news conference on 25 February marking the first anniversary of his inauguration.

Taking the podium, traitor Kim Yong-sam made preposterous absurd remarks for an hour and 30 minutes by reading a prepared statement and by reciting answers for prepared questions. His utterances as the so-called president were immature and were not even worth consideration.

Traitor Kim Yong-sam, first of all, frantically propagandized the achievements he made for the past one year since he came to Chongwadae [presidential office], and put forward five so-called issues. They were merely his confession, appeal, excuses, and remarks intended to evade responsibility for the row of failures in reform and opening of the past one year.

As South Korean publications reported, although traitor Kim Yong- sam frantically carried out a propaganda campaign on the civilian government, on reform, on changes, and so forth, nothing has changed in South Korea whatsoever.

South Korea still remains a U.S. colony, just as one year before when the civilian government came to office. A South Korean professor said with a jeer that the Kim Yong-sam regime invited a man called the United States into the living room and served him in the nude.

The traitor Kim Yong-sam talked as if he would eradicate the fascist rule. The society has been suffocated by the civilian government's rule for maintaining public peace and human rights have been cruelly infringed upon. This is a solemn reality in South Korea.

The South Korean people assess that the rule of the new authoritarian civilian government is more atrocious than that of the military dictatorship.

Let us examine public welfare problems. Because of the pressure to share pains enforced by traitor Kim Yongsam by raving about reform, the workers are suffering greater burdens and farmers will completely lose their means of living due to the poorest harvest since 1980, and to make the matters worse, by the opening of the rice market.

Traitor Kim Yong-sam attempted to shift the responsibility for the catastrophic situation prevailing in South Korea onto his predecessors. He also tried to lay blame on his inferiors by raving about the easy-going attitude and slackened discipling of government officials and so forth. However, his mean trick did not work.

As long as traitor Kim Yong-sam implements the antinational, nation-selling flunkeyist rule by relying on outside forces and being deprived of sovereignty—the life of a nation—he cannot avoid failure, no matter how frantically he may propagandize civilian government and wage reform and opening. Traitor Kim Yong- sam should have frankly admitted this.

Traitor Kim Yong-sam attempted to find a way out of the prevailing crisis through declaration of a fascist rule, including violent remarks that lawlessness and violence will not be tolerated under any pretext, and through the policy of dependence on outside forces for so-called internationalization and globalization. This will work only as a means for expediting the final downfall of traitor Kim Yong-sam and the civilian regime.

What one should not overlook in the remarks made by traitor Kim Yong-sam at the news conference that day is the portion pertaining to North Korea.

As has been exposed, since traitor Kim Yong-sam came to power, he has pursued North-South confrontation on the pretext of the nuclear issue in the North; severed North-South dialogue, which existed even in the era of previous military dictatorship; froze all North-South relations; and drove the situation to the brink of war.

In fact, this is antinational high treason that cannot be pardoned. That day traitor Kim Yong-sam talked about summit talks, exchange of special envoys, suspension of the Team Spirit joint military exercise, joint economic development, and so forth. He raved as if he would show a certain change in North-South relations. His remarks, however, only served as self-acknowledgement of the

erroneous policy that has been implemented toward North Korea for the past year.

Traitor Kim Yong-sam's position on relations with the North is still erroneous [paruji mottada]. This was proven by the fact that the traitor put forward, again, the nuclear issue as a condition for development of North-South relations.

The so-called nuclear issue of the North is a product of antisocialist and anti-Republic maneuvers persistently pursued by the United States. The South Korean ruling bunch brought U.S. nuclear weapons into South Korea, generated the nuclear problem on the Korean peninsula, and is providing its own nuclear mushroom [chacheui haek posotkkaji chariuda] under the U.S. nuclear umbrella. Thus, the South Korean ruling bunch is not entitled, nor has the face, to mention the nuclear issue of the North.

Moreover, at the news conference that day, traitor Kim Yong-sam said that he cannot find proof showing that the North has nuclear arms. Nevertheless, he tried to continually blame us for the nuclear issue, and even said that the nuclear issue in the North is a stumbling block that may hinder reunification forever.

In fact, his remarks only revealed the criminal intention to continue the confrontation policy on the pretext of the nuclear issue, to pursue permanent national division, and to constantly maneuver to harm [haechida] us in collusion with the imperialist reactionaries.

Setting reunification in the nineties as their firm goal, all fellow countrymen in the North, the South, and overseas have joined a gigantic reunification march toward great national unity.

National reunification will be achieved, regardless of what the Kim Yong-sam group wants. That the Kim Yong-sam group pursues confrontation on the pretext of the nuclear issue in collusion with outside forces by betraying the nation, and advances in the direction of disturbing reunification, can be only regarded as the way of thinking by a stupid person who lost his sense and who cannot find the correct direction to advance.

It is clear to everyone that traitor Kim Yong-sam held a news conference on the occasion of the first anniversary of his inauguration in an attempt to repress the people's heightened antigovernment struggle and to evade the crisis in his rule. However, this is the same as shopping for wool and coming home shorn. The puppet confessed by accident that South Korea was fallen into a swamp of stagnation, but failed to put forward any alternative policy for rescuing the people from the swamp, thus disappointing the people.

The puppet also made gibberish as if he receives socalled reports from the United States pertaining to DPRK-U.S. talks and as if he controls the talks, in spite of being unqualified even to join the talk table. He even described the people's slogan for overthrowing Kim Yong-sam and heightened spirit of protesting against the civilian government as the result of democratic development. Even with a prepared text for answers to expected questions, he could not find a proper answer in the text, thus speaking in ambiguities. All this showed the puppet's shamelessness, cunning nature, and ignorance.

All of traitor Kim Yong-sam's remarks and acts that day evoked only the people's disappointment. With rascal Kim Yong-sam, one cannot achieve independence and democracy of South Korean society, nor can the rights of existence be guaranteed, and one can never expect peace and reunification from North-South relations. This is the conclusion drawn again by the people after seeing the news conference.

The sooner such a foolish national traitor like traitor Kim Yong- sam is removed, the better. The South Korean people will rise in the struggle to overthrow Kim Yong-sam's traitorous regime and to establish an independent and democratic government.

Kim Yong-sam Said Suppressing 'Antinuke Struggle'

SK2602051094 Pyongyang KCNA in English 0448 GMT 26 Feb 94

["Heinous Sword-Brandishing Against Anti-War, Anti-Nuke Struggle"—KCNA headline]

[Text] Pyongyang, February 26 (KCNA)—The Kim Yong-sam puppet clique, together with the United States, schemes to introduce Patriot missiles into South Korea and stage large-scale nuclear war exercises against the fellow countrymen, raising a hue and cry over the "nuclear issue" of the North, according to a report.

This is a grave military provocation inciting North-South confrontation and bringing the situation on the Korean peninsula to an extreme pitch of strain. It is an unpardonable criminal act against the dialogue partner.

South Korean people and students are now staging fierce demonstrations urging a stop to the introduction of the Patriot missiles and "Team Spirit" joint military exercises. Even the opposition Democratic Party expresses strong opposition to this.

The anti-war, anti-nuke movement in South Korea is a very just struggle based on the patriotic stand to achieve peace on the Korean peninsula, and, accordingly, it can never be a target of suppression.

The Kim Yong-sam group, however, is brutally suppressing the just anti-war, anti-nuke struggle of the South Korean people. This eloquently proves that the puppet clique is desperately trying to light the train of another war against the DPRK by introducing U.S. destruction weapons into South Korea at whatever cost.

The traitor Kim Yong-sam must not run amok, clearly mindful that to crack down upon the just patriotic struggle of the people at the point of bayonet and rush headlong along the road of division and confrontation will eventually precipitate his own destruction.

South's Public Asked To Overthrow Kim Yong-sam

OW2602114494 Pyongyang KCNA in English 1004 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—The 70 million fellow countrymen, who love the country and the nation and hope for national reunification, must vigorously wage the common struggle of the nation to over-throw the anti-national, anti-democratic and anti-reunification Kim Yong-sam puppet regime and establish a genuine government, independent and democratic.

This call was made by the Central Committee of the Democratic Front for the Reunification of the Fatherland in its appeal to the compatriots at home and abroad Friday to launch a nationwide noble struggle for settling scores with the Kim Yong-sam traitorous clique for its monstrous crimes against the country and the nation in the last one year and overthrow this despicable group.

Recalling that the traitor Kim Yong-sam recently decided to allow the United States to deploy Patriot missiles and attack helicopters in South Korea and invited infamous U.S. state intelligence agents to South Korea, offering the land as an intelligence base of the U.S. imperialists directed against the North, the appeal said:

The traitor signed the treacherous "special agreement" for largely increasing South Korea's burden share for the maintenance of the U.S. troops in South Korea and induced the United States to pigeonhole the "program of the phased reduction of the U.S. troops." He is really a pro-U.S. traitor who has totally opened the rice market to U.S. surplus agricultural products.

Branding the traitor Kim Yong-sam as a "civilian" fascist overshadowing his predecessors, the appeal said his clique has turned down with violence the South Korean workers' demand for wage hike and the means of suppression has become all the craftier and harsher.

Saying the traitor is a most despicable national separatist and warmaniac, it said:

He has stalled all the North-South dialogues, which had been held even in the period of the "fifth and sixth republics" and has staged such joint military manoeuvres with the United States as "Team Spirit," "Ulchi Focus Lens" and "Kfoal" "Agpe" [names as received] and other war games, crying for a "military reaction", to the north.

The one year hkoverebvby the Kim Yong-sam puppet clique is a year of pro-7 [as received] pro-Japanese flunkeyist treachery and "civilian" fascism and a year of crimes and disgrace run through with confrontation, division and war moves. It has become all the more obvious that with him left alone, neither the independence and democratisation of the South Korean society nor the peace and peaceful reunification of the country can be expected.

Today the attitude towards the Kim Yong-sam puppet clique is a touchstone distinguishing patriotism from treachery. And whether one joins in the anti-Kim Yong-sam struggle or not is a yardstick showing whether he wants independence and democracy of the South Korean society and peace and peaceful reunification of the country, or not.

All the Koreans, whether they be in the North or South or abroad and whether they be communists or nationalists, must unite with each other [words indistinct] nation and invigorate the struggle for national reunification, regarding the 10-point programme of the great unity of the whole nation as a common guideline of the nation.

CPRF Cited on Kim Yong-sam's First Anniversary

SK2602050394 Pyongyang KCNA in English 0432 GMT 26 Feb 94

["CPRF Exposes Crimes of Traitor Kim Yong-sam in His First Year in Power"—KCNA headline]

[Text] Pyongyang, February 25 (KCNA)—The Committee for the Peaceful Reunification of the Fatherland [CPRF] released an indictment Thursday exposing the crimes committed by the traitor Kim Yong-sam in his first year in power.

The indictment, citing detailed materials, roundly exposes the fact that he has resorted to flunkeyist treacheries, fascist dictatorship, schemes to perpetuate the division of the country and war moves in a more crafty and vicious way than the preceding military fascist dictators in last one year after he came to power under the "civilian" mask.

According to the indictment, it is one of the blackest crimes he committed during the year that he has impaired and sold off the interests of the country and the nation, persistently pursuing the flunkeyist and treacherous policy.

In his "inaugural address" he said that no allies "can be better than the nation." No sooner had he held all the strings of power, however, than he left South Korea lock, stock and barrel as an aggressive military base of the United States, opened the domestic rice market to the United States and turned South Korea into a market of Japanese goods.

Worse still, he invited Japanese Prime Minister Morihiro Hosokawa to Seoul in November last year and told him that the issue of "comfort women for the army" and other monstrous crimes committed by the Japanese imperialists against the Korean people in the past should be buried in oblivion and South Korea and Japan should develop new "relations" and flung open the door to Japan for its economic comeback to South Korea.

Since he took office, the traitor has stooped to any infamy in his efforts to "isolate and reject" the North in the international arena, rehearsing the rumor about "the North's nuclear arms development" spread by the imperialist reactionaries.

Another blackest crime of the Kim Yong-sam group is that it has harshly suppressed the just, patriotic struggle of the South Korean students and people for independence, democracy and reunification, reducing South Korea to a theatre of fascist rowdyism, a waste land of the nation and a graveyard of human rights.

The group has kept intact all the legal and institutional mechanisms such as the "National Security Law," the "Security Planning Board" and the "secret affairs command," which the preceding military fascist regimes regarded as the foundations for their existence. It has bloodily suppressed the struggle of the South Korean people by dint of them.

By October last year the fascist clique had imprisoned more than 200 students and intellectuals by invoking the "National Security Law." This number is 2.5 times that in the corresponding months of the early period of the power of the No Tae-u puppet clique.

Entering this year, the Kim Yong-sam puppet clique's suppression has become all the more outrageous.

In early February when peasants and students demonstrated to protect the farm market, the puppet clique brutally suppressed them with the mobilization of more than 15,000-strong riot police of 130 companies and arrested no fewer than 400 of them, branding their patriotic struggle as "violence."

The traitor Kim Yong-sam is a thorough-paced antireunification element who has driven the North-South relations from bad to worse and opposed peaceful reunification of the country.

Even after he received the 10-point programme of the great unity of the whole nation sent by the North, he, turning down the magnanimous proposal of the North for reconciliation and unity, has totally frozen inter-Korean high-level talks and foiled the exchange of special envoys between the North and the South. He also perpetrated such inhuman and anti-reunification criminal acts as blocking the Seoul trip of a mourners' group of the North to participate in the funeral of the Rev. Mun Ik-hwan in January and not allowing a Panmunjom contact between delegates of the chondoists of the North and the South for the joint commemoration of the centenary of the peasants' war in 1894.

The anti-reunification nature of the traitor was graphically illustrated by the fact that he brought forward a "three-stage unification formula" based on "institutional unification" which may foster confrontation and spark off a war between the fellow countrymen, motivated by the "concept of uselessness of unification" the keypoint of which is that "unification which fails to ensure liberal democracy and market economy is no better than division."

It is an intolerable high treason that after taking power, the Kim Yong-sam puppet clique has zealously schemed to provoke a war against the fellow countrymen in the North, following outside forces.

From the beginning of the year, the puppet clique has staged war exercises with the United States against the North, increasing military tension. It openly stated that if the "Team Spirit" nuclear war exercises were suspended this year, joint military manoeuvres equivalent to them in scale would be staged in August.

Getting off into war hysterics, the Kim Yong-sam group has brought into South Korea various types of military equipment including ground-to-ground missiles and fighter planes of next generation by increasing military expenditures. It has also put spurs on nuclear arms development, openly claiming that "nuclear right must be secured." In actuality, such comprador enterprises of South Korea as the Chang Won Machines, the Nuclear Fuel Corporation, Ltd. the nuclear fuel plastic processing factory and the Atomic Energy Technology Corporation, Ltd. have separately manufactured in secrecy accessories and materials necessary for nuclear bombs, labelled as ordinary goods or with ciphers.

The facts clearly show that with the traitor Kim Yongsam wearing the "civilian" veil left intact, neither national reconciliation and unity, nor the reunification in the '90s which the whole nation eagerly hopes for, nor the independence and democratization of the South Korean society can be achieved and only the confrontation will be fostered and war caused between the fellow countrymen.

KCNA Reports South's Army Moves 23, 24 Feb SK2602045994 Pyongyang KCNA in English 0444 GMT 26 Feb 94

["Military Exercises Near DMZ"-KCNA headline]

[Text] Pyongyang, February 26 (KCNA)—The South Korean puppets on February 24 deployed an artillery unit with scores of large-calibre guns and more than 400 bandits armed with automatic weapons in various places of Paju County, Kyonggi Province, near the Demilitarized Zone along the Military Demarcation Line, according to military sources.

Earlier, on the 23rd, infantry units of the puppet army staged a ground attack exercise simulating a surprise breakthrough on the Military Demarcation Line, firing artillery pieces.

On the 24th, a 105 mm gun group of the puppet army deployed in the area of Yonchon County and armed

personnel who took positions in Paju County fired guns and large-calibre machine guns under our eyes.

Japan Said To Throw 'Wet Blanket' on IAEA Deal

SK2602052594 Pyongyang KCNA in English 0500 GMT 26 Feb 94

["They Must Not Put Brakes on Solution to Nuclear Issue of Korean Peninsula"—KCNA headline]

[Text] Pyongyang, February 26 (KCNA)—Japanese reactionaries are these days making thoughtless remarks throwing a wet blanket over the agreement on an inspection for guaranteeing the continuity of safeguards which was reached between the DPRK and the International Atomic Energy Agency, according to reports.

At the Japan-U.S. summit, Japanese Prime Minister Morihiro Hosokawa showed "a responsible reaction" over the "nuclear issue" of the DPRK and, at the the budgetary committee of the house of representatives recently, he urged "a special inspection" of military sites in the DPRK. And he did not forget to cry for "continued pressure on North Korea" whenever an opportunity presented itself.

In an article contributed to THE WASHINGTON TIMES, former Japanese Prime Minister Yasuhiro Nakasone said that "economic sanctions" must be imposed on "North Korea" if it refuses to accept "a special inspection." And Japanese Foreign Minister Tsutomu Hata also vociferated about "special inspection" at a recent press conference.

Such remarks of Japanese reactionaries are dastardly utterances intended to bar the progress of the agreement reached between the DPRK and the IAEA with much difficulty. What they seek in this is to force unreasonable "special inspection" upon us, disarm us and stifle anthropocentric socialism of Korean style.

Considering that the "special inspection" is one of the fundamental reasons that compelled our republic to declare its withdrawal from the Nuclear Nonproliferation Treaty, to call for this inspection is an act designed to force us out of the treaty. In that case, a very dangerous critical situation will be created on the Korean peninsula, and it will not bring good results to Japan, either.

The Japanese reactionaries must act with discretion, looking squarely at the current trend, and stop putting brakes on the progress of the solution to the nuclear issue on the Korean peninsula.

Representative Urges Probe on 'Comfort Women' SK2602151694 Pyongyang KCNA in English 1503 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—The head of the delegation of the measure committee for compensation to "comfort women for the army" and the victims of the Pacific war of the Democratic People's Republic of Korea made a speech on February 15 at the 50th meeting of the U.N. Commission on Human Rights held in Geneva.

Noting with indignation that the present Japanese authorities are still unwilling to admit to the issue of "comfort women for the army", he said such attitude of theirs proves that they too are little different from their predecessors who had committed a crime by contriving the system of "comfort women for the army".

Pointing out that the sexual slavery forced upon Korean and other Asian women by the Japanese Army is a criminal act against mankind and it showed that Japan could not evade its responsibility for it either in view of the international law or in view of morality, he continued:

The Japanese authorities must comprehensively and quickly probe the truth behind the "comfort women for the army", such as the total number of "comfort women", their composition of nationalities and lists of victims and make public its results. Japan must make adequate compensations to victims and their families as the greatest token of its will to clearly liquidate its past, its will not to repeat such crimes.

At the same time, it must be accompanied by criminal punishment upon those who are responsible for it.

Korean Students in Japan Win Commuting Rights SK2602055394 Pyongyang KCNA in English 0414 GMT 26 Feb 94

[Text] Tokyo, February 23 [dateline as received] (KNS-KCNA)—The Japanese railway authorities February 21 decided to rectify the discrimination of commutation ticket for the students of schools at all levels under the General Association of Korean Residents in Japan (Chongnyon), the Korean News Service reported.

As a result, a discount rate of commutation ticket equal to the Japanese students will be applied to the students of Korean schools from April.

This is a victory won by the Korean Residents in Japan in their just movement to defend and expand the right of national education and a success that made the first breakthrough in the "three-month campaign for the defence of rights of compatriots," said KNS.

Army Foreign Affairs Delegation Leaves for PRC SK2802110594 Pyongyang KCNA in English 1058 GMT 28 Feb 94

[Text] Pyongyang, February 28 (KCNA)—A delegation of officers in charge of foreign affairs of the Korean People's Army left here today to visit China.

Further on Activities of PRC Party Delegation

Officials Host Gathering

SK2602054594 Pyongyang KCNA in English 0503 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—The international department of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] arranged a friendly gathering at Mongnan House on February 25 with the head of the International Liaison Department of the Central Committee of the Communist Party of China [CPC] and her companions visiting Korea.

Present on invitation were head of the International Liaison Department of the C.C., the CPC Li Shuzheng and her companions, Chinese Ambassador to Korea Qiao Zonghuai and embassy officials.

Present were Secretary of the WPK Central Committee Hwang Chang-yop, DPRK Ambassador to China Chu Chang-chun, vice-directors of a department of the WPK Central Committee Kim Yang-kon and Chi Chae-yong and officials concerned.

Artistes in Pyongyang gave a performance at the gathering.

The performance was acclaimed by the audience for its high ideological and artistic level.

It was preceded by a party.

Hwang Chang-yop and Li Shuzheng made speeches at the party.

Delegation Departs 26 Feb

SK2602153394 Pyongyang KCNA in English 1517 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—Head of the International Liaison Department of the C.C. [Central Committee], the Communist Party of China Li Shuzheng and her companions left here for home today.

They were seen off at the airport by the secretary of the C.C., the Workers' Party of Korea [WPK], Hwang Chang-yop, and the vice-director of a department of the C.C., WPK, Kim Yang-kon, Chinese Ambassador to Korea Qiao Zonghuai and his embassy officials.

During their stay in Korea, they visited Mangyongdae, the victorious fatherland liberation war museum, the Mangyongdae School Children's Palace, the Pyongyang Sinni Senior Middle School and other places. Foreign Leaders Greet Kim Chong-il on Birthday OW2602122594 Pyongyang KCNA in English 1017 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—The Dear Leader Comrade Kim Chong-il received messages of greetings from foreign heads of state and party leaders on his birthday.

They came from Blaise Compaore, president, head of state, chairman of the Council of Ministers and supreme commander of the Armed Forces of Burkina Faso; O. Shenin, chairman of the council of the Communist Union-the Communist Party of the Soviet Union; V. Tyulkin, first secretary of the Central Committee of the Communist Workers Party of Russia; Rafiq Ahmad Sheikh, secretary general of the Pakistan People's Party; Ali Hassan, general secretary of the Supreme Council of the Nationalist Socialist Party of Syria in Lebanon; [name indistinct], general secretary of the Democratic Youth Revolutionary Party of Burkina Faso; Javier Canseco, general secretary of the Mariateguisoa United Party of Peru; general secretary Renan Raffo Munoz and international secretary Guillermo Herrera Montecinos of the Central Committee of the Peruvian Communist Party; Gustavo Mohme Ryona, national secretary general of the Socialist Political Action Party of Peru; and Angel Castro Lavarello, chairman of the national executive committee of the Left Revolutionary Union of Peru.

The messages extend warmest congratulations to Comrade Kim Chong-il and wish him a long life in good health.

They express full support to and solidarity with the Workers' Party of Korea and the Korean people in the struggle to reunify the country and defend national sovereignty.

Foreign Media Pay Tribute to Kim Chong-il OW2602121394 Pyongyang K 'NA in English 1004 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—Foreign media edited special write-ups on the occasion of the birthday of the Dear Leader Comrade Kim Chong-il.

The Bulgarian paper TRIBUNA carried a special writeup with a picture of Comrade Kim Chong-il among soldiers of the People's Army.

The paper in an article titled "Imperishable Exploits in Rebuilding the Socialist Movement" says:

"Comrade Kim Chong-il is a sagacious leader of the Workers' Party of Korea and the Korean people who leads the cause of socialism in the van with extraordinary wisdom, outstanding leadership ability and noble virtues.

"Comrade Kim Chong-il is greatly contributing to bringing about a worldwide upswing in the cause of socialism. "The revolutionary parties and progressive people of the world wholeheartedly wish Comrade Kim Chong-il good health and a long life."

The Bangladeshi papers NATUN BANGLA, NATUN KATA and CAPITAL NEWS, the Madagascan paper BASY VAVA, the Russian papers VESTI and PATRIOT and the Tunisian paper AL WAHETA [words indistinct] with portraits of Comrade Kim Chong-il.

The Indian papers HINT and TAMAKA DAVBAR, the Malian paper AURORE and the Burundian paper RENOUVEAU published articles on the birthday of Comrade Kim Chong-il.

Cuban television and Radio Reloj, the Kamchatka television of Russia and radio of Zaire broadcast special programmes to celebrate the occasion.

Kim Il-song Greets Saharan Republic Anniversary
OW2602121094 Pyongyang KCNA in English 1024
GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, Friday [25 February] sent a message of greetings to Mohamed Abdelaziz, president of the Saharan Arab Democratic Republic and general secretary of the Polisario Front, on the occasion of the day of the proclamation of the republic.

President Kim Il-song in the message expressed the conviction that the friendly relations between the two peoples would continue to develop.

Minister Greets Equatorial Guinea Counterpart SK2602053694 Pyongyang KCNA in English 0455 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—Korean and Equatorial Guinean foreign ministers exchanged messages of greetings on the 25th anniversary of the opening of diplomatic relations between the Democratic People's Republic of Korea and the Republic of Equatorial Guinea.

In the message, Korean Foreign Minister Kim Yongnam expressed the belief that the excellent relations of friendship and cooperation between the two countries would continue to develop on good terms in the common interests of the two nations.

Equatorial Guinean Minister of State in charge of foreign affairs and cooperation Miguel Oyono Ndong Mifumi said in his message that to tighten the bonds of friendship between Equatorial Guinea and Korea would make an affirmative contribution to the attainment of the common purpose of the two peoples for prosperity. Yang Hyong-sop Greets Finnish Parliament Chief SK2602153494 Pyongyang KCNA in English 1515 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—Yang Hyongsop, chairman of the Supreme People's Assembly, sent a message of greetings to Riitta Uosukainen upon his election as president of the parliament of the Republic of Finland.

Expressing the belief that the friendly and cooperative relations between the two parliaments would grow stronger and develop, the message wished him success in his responsible work.

Cilreco Accuses U.S. of Heightening Tension OW2602120794 Pyongyang KCNA in English 1012 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—Guy Dupre, secretary general of the International Liaison Committee for Reunification and Peace in Korea (Cilreco) issued a statement on the situation on the Korean peninsula on Feb. 14.

The enlarged meeting of the executive committee of the Cilreco held in Paris charged that the United States was carrying the tensions on the Korean peninsula to extremes with provocative acts, while refusing to improve relations with the DPRK and calling for "sanctions" against it, noted the statement, and continued:

"The United States has suspended DPRK-U.S. negotiation and is zealously pursuing a policy of pressure on and threat to the DPRK under the unreasonable pretext that the DPRK is refusing to accept the high-handed demand of the International Atomic Energy Agemcy for inspection.

"The hypocritic attitude of the United States is so dangerous that it may lead the situation to a hopeless phase.

"The United States must immediately stop its reckless attempt at isolating and stifling the DPRK and come out without delay to the DPRK-U.S. negotiation for a final solution to the nuclear issue on the Korean peninsula.

"The Cilreco calls on world public to watch the U.S. attitude with vigilance and put a strong pressure on [words indistinct] so that it may look straight at the trend of the times and act with discretion."

WPK Central Committee Greets Dominican Party
OW2602121294 Pyongyang KCNA in English 1026
GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] today sent a message of greetings to the Central Committee of the Dominican Communist Party on the occasion of the 50th founding anniversary of the party.

The message said that the Dominican Communist Party has achieved great results in the struggle against the aggression and war moves of the imperialists and for the independent and democratic development of the country in the past 50 years.

Expressing the belief that the friendly relations between the two parties will grow stronger and develop in the common struggle against imperialism and for defence and progress of the cause of socialism, the message wished the Dominican Communist Party greater success in its activities for strengthening the party and achieving the unity and cohesion of the revolutionary forces.

Burundian President Favors Korean Confederation SK2602152594 Pyongyang KCNA in English 1511 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—Burundian President Cyprien Ntaryamira, when he met the DPRK ambassador to his country some time ago, expressed full support to reunification policy of the Workers' Party of Korea and the DPRK Government.

He said: We consider the "10-point programme of the great unity of the whole nation for the reunification of the country" and the proposal for reunification through confederacy put forward by His Excellency President Kim Il-song to be ones for the independent and peaceful reunification of the country reflecting the desire of the entire Korean people for reunification.

The Burundian people will stand on the side of the Korean people who are striving to put the program and the proposal into practice.

We fully support the position of the DPRK Government to solve the nuclear issue on the Korean peninsula through DPRK-U.S.A. talks.

Book on Korean Communism Published in London SK2602152994 Pyongyang KCNA in English 1514 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—"Korea: Pioneer of Communism" written by Bennett Keith, political editor of the British paper ASIAN TIMES, was published in London.

The book consists of the preface and four chapters.

It carries a photograph of the great leader President Kim Il-song among workers and pictures of the International Friendship Exhibition, the Pyongyang maternity hospital, etc.

The author wrote that the Democratic People's Republic of Korea, powerfully inspires the struggle of the world progressive people for global independence, advancing along the road of socialism without the slightest vacillation, whatever complicated situation the imperialists may create.

He said Korea which was reduced to ashes over 40 years ago has now turned into a powerful socialist country admired by the whole world.

He noted that Korea's popular policies including free education and free medical service are results of the benevolent politics of the great President Kim Il-song and dear Comrade Kim Chong-il.

Chollima District, Turkish City Form Ties SK2602053894 Pyongyang KCNA in English 0437 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—Documents on establishing friendly relations between Chollima District, Nampo municipality of the Democratic People's Republic of Korea and Ecenurt City, Istanbul Province of the Republic of Turkey, were exchanged on February 18.

They were signed by the chairman of the Chollima district administrative and economic committee of Nampo municipality and the mayor of Ecenurt City, Istanbul.

More on Celebration of Rural Theses Anniversary

2d Day of Conference Reported

OW2602124694 Pyongyang KCNA in English 1035 GMT 26 Feb 94

[Text] Pyongyang, February 26 (kcna)—The grand national agricultural conference which opened here Friday [25 February] is going on.

Friday afternoon and today the floor was taken by many participants including chairperson of the south Hwanghae provincial rural economy committee Ho Tokpok, chairman of the management board of the Okto cooperative farm in Yonggang County, Nampo municipality, Yim Ki-hwan, workteam leader of the Migok cooperative farm in Sariwon, north Hwanghae Province, Kim Tae-sik, director of the General Bureau of the Farm Machinery Industry of the State Agricultural Commission Kim Yong-chan, director of the Yokpo stock farm under the Pyongyang municipal general stockbreeding bureau Yu Chun-ok and Changdong-i party secretary of Sokchon County, south Pyongan Province, Paek Inkwan.

The speakers noted that with the successful implementation of "theses on the socialist rural question in our country" authored by the great leader Comrade Kim Il-song, an epoch-making change without precedent has taken place in all spheres of socialist rural construction in Korea in 30 years.

With the ideological and cultural revolutions promoted vigorously in the countryside, the agricultural working people have grown to be dependable masters of the socialist countryside with a high degree of consciousness and creative ability and a fundamental change has been made in their ideological and moral traits, they said.

They pointed out that in the course of fulfilling the tasks of the technical revolution set out in the rural theses, electrification, mechanisation and extensive use of chemicals have been put into effect and a grand nature harnessing project to complete the aready achieved irrigation on a high level has been carried out successfully with the result that a bright prospect for a continued increase of grain output has been opened.

The brilliant achievements today with the final solution of the rural question in sight are a fruition of the wise guidance of the great leader comrade Kim Il-song and the dear leader Comrade Kim Chong-il who put forward the programme of socialist rural construction and have energetically guided the efforts to realise it, and an eloquent proof of the validity and invincible vitality of the socialist rural theses, the speakers said.

They described the historic letter of the great leader to the conference "for the ultimate solution of the rural question under the banner of the socialist rural theses" as a new milestone clearly indicating the path of building the socialist countryside on a higher stage and a great programme to finally solve the rural question and accelerate the complete victory of socialism.

They expressed their firm resolve to actively work to thoroughly carry out the tasks set out in the historic letter of the greatleader and the congratulatory message of the party central committee to the conference and achieve a greater success in socialist rural construction and agricultural development.

At today's session, a congratulatory group of workers, peasants and intellectuals recited a congratulatory message to the national agricultural conference.

Daily Hails Publication of Theses

SK2602143994 Pyongyang Korean Central Broadcasting Network in Korean 0225 GMT 25 Feb 94

[NODONG SINMUN 25 February editorial: "Thirty Years of Victory and Change Advancing Along the Road Elucidated by the Great Rural Theses"]

[Text] Overflowing with great dignity and pride, our people today are significantly commemorating the 30th anniversary of the publication of the immortal classical work of the great leader Comrade Kim Il-song, "Theses on the Socialist Rural Question in Our Country."

On the occasion of this historical day, the national agricultural conference will be magnificently opened in Pyongyang, the revolutionary capital, amid the great interest of all the people and agricultural workers. This conference will be a rally of victors vigorously demonstrating the greatness and invincible vitality of our party's program of socialist rural construction, and a new milestone in developing our country's socialist rural economy onto a higher stage.

The great leader Comrade Kim Il-song sent a historical letter, "For the Ultimate Solution of the Rural Question Under the Banner of the Socialist Rural Theses," to the national agricultural conference. In the letter, the respected and beloved leader proudly summed up the victorious achieved by our party and people in the struggle to implement the rural theses, and presented a militant task to bring about a new upsurge in the rural construction.

This letter is a banner of struggle which makes it possible to achieve a historical victory in ultimately solving the rural question which is the most difficult problem in socialist construction. On the day of the 30th anniversary of the publication of the rural theses, we have once again received the great classical work which brilliantly elucidates the future of our socialist farms. This is a great happiness for our people and agricultural workers.

Our people and agricultural workers are looking back with pride at the historical course that achieved great victory and change in the socialist rural construction under the leadership of the party and the leader. The socialist rural theses published 30 years ago, was a historical event greatly significant for the revolutionary struggle of our people for the victory of the chuche socialist cause.

The dear leader Comrade Kim Chong-il pointed out: The "Theses on the Socialist Rural Question in Our Country," provided by the great leader Comrade Kim Il-song is our party's program of the rural construction, and a magnificent blueprint to ultimately solve the rural question.

Correctly solving the rural question is a fundamental problem related to the success or failure of the socialist cause. The work to firmly consolidate politically, ideologically, materially, and technically the socialist system and to achieve complete victory in socialism are greatly dependent on how to solve the rural question.

From the early days, the great leader Comrade Kim Il-song put great emphasis on the question of farmers and agriculture and put forth all his energy to solve it. He published the rural theses at a historical period when it was imminently demanding to elucidate the correct road in the socialist rural construction. Thus, he gave a complete explanation in this important question of the era.

The rural theses is a chuche-oriented rural construction program which wholly elucidates all theoretical and practical problems that arise in the socialist rural construction such as the essential content of the socialist rural question, the fundamental principle in solving it, and the basic task and method to carry out the rural construction.

With the presentation of the rural theses, the road to industrialize and modernize agriculture, revolutionize and achieve working classification of the farmers, and to create farms, which were dominated by century-old

backwardness, into abundant and civilized socialist farms, were clearly elucidated. The publication of the theses was an event of the era which provided a shortcut in constructing a classless society and a completely successful socialist society which man had so earnestly desired.

In the great leader Comrade Kim Il-song's ideological and theoretical achievements, he pioneered a new turning point in the socialist construction theory because he put forth a magnificent program in the socialist rural construction from the early days, and embraced faith in socialism to the world's revolutionary people. This cannot by any means be weighed at any cost.

The 30 years from the time of the publication of the theses up until the present were 30 years of victory and traits in which the most brilliant examples were created in solving the socialist rural question.

The circumstances of our socialist construction in the past were not smooth at all. We accelerated socialist rural construction under a difficult condition in which the nation was divided and the imperialists' vicious aggressive maneuvers prevailed. However, thanks to the great rural theses, our people and agricultural workers could brilliantly resolve difficult and gigantic tasks raised in socialist rural construction.

The great vitality of the rural theses has been fully demonstrated in the fact that our socialist rural economic system has been firmly consolidated politically, ideologically, materially and technologically.

As the result of brilliant implementation of the three lines of the revolution—ideological, technological and cultural—put forward by the rural theses, our peasants' political and ideological outlook and our farms' material and technological foundation have been changed beyond recognition.

Today our agricultural workers, assuming the chuche idea—our party's great revolutionary ideology—as their firm faith, have been united with the party and the leader [suryong] more firmly than ever, and are highly displaying the noble fine communist customs.

Even amid antisocialist maneuvers unprecedentedly intensified by the imperialists and reactionaries in recent years, our agricultural workers firmly defended the agricultural front by absolutely trusting only the party and the leader without a slightest degree of wavering. This clearly demonstrates their noble spiritual and moral outlook.

The great changes effected in our peasants' ideological and mental world and work-style are the most precious achievement incomparable to several million tons of grains.

A great advance was registered in implementing the rural technological revolution through the struggle to carry to accomplishment the rural theses. The task of introducing water utilization system and electrification was realized a long time ago, and the task of mechanization and chemicalization was also achieved. As the result, the historic task of rural technological revolution set forth in the socialist rural theses has been accomplished basically.

Last year, in the wake of the 30th anniversary of publication of the theses, we attained a unprecentedly good harvest by overcoming serious phenomena of abnormal weather. This clearly proves how mighty the material and technological foundation of our farms is.

With brilliant achievement of tasks of rural cultural revolution, the peasants' civilized life has been brought into full bloom and our farms became more look like cities in the cultural field.

The political, ideological, material and technological foundation which our people provided amid the struggle to carry to accomplishment the rural theses is very firm. Today socialism takes deep root in our farms and became something indispensable to the life of our agricultural workers.

The great vitality of the rural theses has been clearly displayed in the fact that an epoch-making turn was effected in our people's historic advance to achieve the complete victory of socialism. Achievement of complete victory of socialism is a strategic goal which we must attain without fail in socialist and communist construction. The key to accomplishing this task is to remove the class difference between the working class and peasants by solving rural problems.

Industrialization and modernization of agriculture and revolutionization and classization of peasants have been vigorously pushed ahead under the banner of the theses. As the result of this, the differences between cities and farms were drastically reduced. In addition, the standard of management and operation in cooperative farms came closer to the advanced management standard of industry. Thus, material and technological means in ownership by all of the people came to have overwhelming weight in agricultural production.

All this illustrates that the condition is becoming mature for gradually turning cooperative farms in our country into farms owned by all of the people.

We have already solved basic problems in socialist rural construction. We can proudly declare that we have now occupied a lofty peak looking at final solution of agricultural problems.

The socialist rural theses also displayed great might in fully demonstrating the superiority of socialism of our own style by smashing the imperialists' antisocialist maneuvers.

The imperialists and reactionaries have historically carried out vicious slanderous and smear campaigns against the socialist rural economic system which was established by reflecting the aspirations and desires of the popular masses.

Taking advantage of the collapse of the socialist system in some countries, the imperialists carried out antisocialist maneuvers more viciously. The great victory we attained in the struggle to accomplish the rural theses in the past 30 years proved that antisocialist sophism disseminated by the imperialists is a total falsehood.

The socialist rural economic system in our country is a most superior rural economic system of our-style which has embodied the chuche idea and is a most solid and vigorous rural economic system that is advancing along the road of socialism based on collectivism.

With the brilliant embodiment of the rural theses, agricultural production constantly developed and the peasants' independent and creative life fully bloomed in all domains of politics, economy, and culture in our country. Through the reality of socialism, people came to believe firmly that only socialism can achieve the peasants' long-cherished desire.

Indeed, the socialist rural theses put forward by the great leader are an immortal militant banner which enabled us to strengthen our-style socialism into an indomitable stronghold and which provided us with a firm guarantee for the final victory of socialism. The great victory and achievements we attained in the struggle to carry to accomplishment the rural theses in the past are a brilliant fruition of the wise leadership of the respected leader Comrade Kim Il-song.

Traces of the leadership of the great leader, who led the rural economic work with tireless and sleepless energy, are embroidered on the road of socialist economic construction in our country.

By always putting forward the agricultural front as one of the major offensive fronts in socialist construction, the respected leader personally became the commander and brilliantly resolved all problems—large or small—raised in rural economy and agricultural production.

By constantly giving on-the-spot guidance to farms throughout the country, he created the chuche agricultural method—a most scientific farming method suitable to practical situation in our country—and led our agricultural workers to implement the party's agricultural policy. The energetic guidance of the respected leader was a source for us to effect an epoch-making advance in agricultural production.

The guidance of the party and the leader over socialist rural construction has been consistent with firm principles. The principle of giving priority to the ideological revolution, which the great leader consistently maintained; the principle of strengthening the guidance of peasants by the working class, the support for agriculture by industry, and support for farms by cities; and the principle of strengthening the party's guidance on rural economy, worked as the banner consolidating our socialist rural positions into indomitable strongholds.

Even in recent years when the imperialists' antisocialist maneuvers were carried out more disguisedly, the party and the leader led us so that we can highly demonstrate the superiority of socialist collectivist economy by firmly maintaining the principle of socialism in management and operation of rural economy without a slight degree of wavering. This is a brilliant achievement made by the party and the leader in rural construction.

The entire course of socialist rural construction in our country eloquently shows that only by the great party and the great leader with uncommon wisdom, outstanding leadership and firm principle, can the socialist rural problems be brilliantly resolved without a slight deviation and vicissitudes.

Today we are faced with the honorable task to consolidate and develop our country's socialist rural economic system and to effect a new upsurge in farm production, based on the great victory we achieved in the socialist rural construction.

The great leader Comrade Kim Il-song taught in his recent letter: All functionaries of the agricultural sector and working people should vigorously accelerate the socialist rural construction with exalted faith, upholding the banner of the socialist rural theses. We should, above all, deeply bear the great pride in having the most correct program [kangnyong] for the socialist rural construction and should stoutly carry out the struggle to implement it.

The ideological and theoretical policy linked with the great rural theses is our firm guideline for today and tomorrow. All party members and working people should stoutly struggle, being deeply aware of the fact that they can make a new upsurge in the rural construction and farm production only when they advance along the single road elucidated by the theses without deviation. By doing so, they should endlessly glorify the leadership achievements that the great leader have made without sleep or rest for a long time in solving socialist rural problems.

All party members and working people should learn in depth the great leader's historical work, "For an Ultimate Solution to Rural Problems Under the Banner of the Socialist Rural Theses," make it their bones and flesh, and stoutly carry out the struggle to implement programmatic tasks presented in the work.

In order to implement the heavy task faced by the rural economy today, it is important to intensify and develop the three revolutions—ideological, technological, and cultural—in accordance with the demand of the socialist rural construction in a new stage.

We should intensify indoctrination of the agricultural working people on principles of the chuche idea and should effectively carry out ideological indoctrination, including class and collectivism indoctrination, for them so that they can arm themselves firmly with our party's revolutionary ideology and the chuche idea and can firmly establish a revolutionary view of leader.

By doing so, we should make all agricultural working people become resolute fighters who devotedly struggle to protect and defend the socialism of our own style under any situation, with firm faith in the victory of the socialist cause.

We should consolidate the results achieved in irrigating, using electronics, mechanization, and the application of science in rural areas and fully demonstrate the might of the results as well as thoroughly implement the chuche farming method, so that we can further develop all domains of farm production, including grain production.

All agricultural working people should achieve, without fail, the high goal of grain production presented by the party this year, the first year of the adjusting period [wanchunggi], by greatly displaying the revolutionary spirit of self-reliance and fortitude, upholding the party's agriculture-first policy.

We should continue to concentrate great efforts in elevating the agricultural working people's technological and cultural levels and making our rural areas more civilized, in accordance with the demand of the intellectualization of the entire society.

We should vigorously carry out the three revolutions in rural areas, strengthen our support for rural areas, and constantly improve and intensify the guidance and management of rural economy, so as to brilliantly implement the historical task of turning the cooperative property into the all-people property [hyoptongjok soyurul choninminjok soyuro nomginun yoksajok kwaop] in the future.

It is important to enhance party organizations' militant functions and role in order to constantly consolidate and develop our socialist rural economic system and to vigorously accelerate the agricultural production.

All rural party organizations should intensify ideological indoctrination of a broad range of agricultural working people, unite them more firmly around the party, and actively agitate the masses to implement our party's agriculture-first policy and the chuche farming method.

Party organizations should actively help and lead all functionaries of the agricultural economic sector, so that they can deeply bear their honorable duties and missions for the party and the revolution, constantly revolutionize themselves, and vigorously push ahead with the work of implementing the rural theses at the front of the masses.

The socialist rural construction, which has entered a new higher stage today, has the endlessly bright future. We will brilliantly achieve the ultimate solution to socialist rural problems in the near future, as long as the great leader Comrade Kim Il-song, who is leading the chuche socialist cause along the single road of victory, stands at the forefront, and as long as the glorious Workers Party of Korea leads us.

Let us all stoutly struggle to achieve the ultimate solution to socialist rural problems and to consummate the chuche revolutionary cause, firmly united around the party Central Committee headed by the respected and beloved Comrade Kim Il-song.

Hurrah for the 30th anniversary of the publication of the great socialist rural theses!

Officials on Kim Il-song Letter

SK2802102794 Pyongyang KCNA in English 1012 GMT 28 Feb 94

[Text] Pyongyang, February 28 (KCNA)—"For the ultimate solution of the rural question under the banner of the socialist rural theses", a letter sent by the great leader President Kim Il-song to the national agricultural conference, is evoking widespread repercussions upon officials and working people in Korea.

Kang Ung-chae, vice-chairman of the State Planning Commission, said: "The letter of the great leader is a highly important guideline which we must always follow unswervingly in the efforts for the ultimate solution of the rural question under the banner of the socialist rural theses.

"Officials of our commission, bearing deep in mind their heavy duty for the times and the revolution, will map out plans in detail and dovetail them to ensure that raw and other materials are supplied in time to chemical fertilizer factories."

Yu Si-yong, vice-president of the University of National Economy, had this to say:

"The letter of the great leader is an immortal classical work which consummates all the theoretical and practical questions arising in making a new advance in the socialist rural construction of our country and a great programme of rural construction which clearly indicates the way of socialist rural construction.

"We will deeply study and grasp the ideas and theories laid down in the letter and thoroughly apply them to scientific research, teaching and education, thus firmly preparing the students to be true revolutionaries and competent economic management officials who resolutely struggle for socialist rural construction and for the accomplishment of the cause of our-style socialism."

Chairman of the management board of the Changchon cooperative farm in Sadong district, Pyongyang, Kim Myong-yon, said that the officials and agricultural working people of the farm who received the letter of the great leader with deep emotion and joy are filled with an ardent resolve to carry through the agrarian policy of the Workers' Party of Korea under the banner of the socialist rural theses. She said they would bring about a greater upsurge in agricultural production this year in which fell the 30th anniversary of the publication of the rural theses.

Yi Chong-chun, chief secretary of the Kaechon City, South Pyongan Province, committee of the Workers' Party of Korea, said the city party committee would firmly unite the agricultural working people around the party and the leader and consolidate the party's rural foundation by carrying through the rural policy of the party pursuant to the tasks laid down in the letter of the great leader, so that uninterrupted innovations may be effected in agricultural production.

'Mental Traits' of Workers Noted

SK2802112894 Pyongyang KCNA in English 1043 GMT 28 Feb 94

[Text] Pyongyang, February 28 (KCNA)—Thirty years have passed since the great socialist rural theses was published in the Democratic People's Republic of Korea.

In this period, the ideological revolution has been carried on vigorously in the countryside to bring a phenomenal change in the mental traits of the agricultural working people.

They have made strenuous efforts to implement the rural theses under the socialist collective economic system, helping and leading each other forward under the slogan "One for All and All for One!"

In this course, more than 20 units including the Mangyongdae, Chongsan and Yongnim cooperative farms, the Pyongyang fruit farm and the Chaeryong farm machine station and many agricultural workers were awarded "Order of Kim Il-song." And more than 400 people have become labour heroes and many others have been decorated by the state. The dear leader Comrade Kim Chongil published "Position and Role of the County in Socialist Construction" in March 1964, "On Stepping Up the Work of the Union of Agricultural Working People" in December 1985 and many other immortal classical works and gave on-the-spot guidance to agricultural domain, through which he has wisely led the agricultural working people to carry out the tasks set by the great leader President Kim Il-song in the rural theses.

The remoulding of man has been successfully promoted in the countryside over the last three decades, with the result that the peasants have fully discharged their duty as the masters of rural construction with noble ideological and mental traits befitting socialist agricultural working people.

They do farming with a strong sense of responsibility as the ones in charge of the nation's granary under the slogan "I tend the farm's fields as my own!"

Last year, too, cooperative farms in Sokchon, Mundok, Unjon, Yonan, Paechon and other areas of the country reaped bumper harvests.

Agricultural working people are fully displaying beautiful traits of devoting their all to the society, the collective and comrades. In recent years, Pang Yong-pok of the Taechon-up cooperative farm, Taechon County, North Pyongan Province, Kim Chae-nak of the Naenam cooperative farm, Sunchon City, South Pyongan Province, Yi Chinsu of the Chonnae-up cooperative farm, Chonnae County, Kangwon Province, and many other peasants performed feats in protecting people's lives and property.

Agricultural working people are also bringing into full play such beautiful communist traits as bringing up orphans as their own children, marrying disabled soldiers and donating surplus rice to the country.

Comrade Kim Chong-il highly appreciated their beautiful communist traits and sent his thanks and gifts to them.

With the reliable agricultural working people dynamically advancing along the road indicated by the socialist rural theses under the wise guidance of the illustrious leader, the socialist rural stronghold of Korea is being further consolidated.

Progress in Agriculture Noted

SK2602152294 Pyongyang KCNA in English 1508 GMT 26 Feb 94

[Text] Pyongyang, February 26 (KCNA)—This is the year in which falls the 30th anniversary of the publication of the great socialist rural theses in the Democratic People's Republic of Korea.

In this period, a remarkable progress has been made in the comprehensive mechanisation of agriculture, the number of tractors increasing 6 times, lorries 5 times, weeding machines 5.6 times, harvester combines 7 times and rice harvesters 1.5 times.

Each subworkteam of the cooperative farms across the country has one or more rice-transplanting machines and rice-seedling pullers, putting the mechanisation of farm work on a high level.

In "Theses on the Socialist Rural Question in Our Country", the great leader President Kim Il-song set the task to carry out the comprehensive mechanisation of agriculture, a part of the rural technical revolution, and indicated ways for its implementation.

He saw to it that many industrial establishments engaged in agriculture such as tractor, spare part, farm machine and farm tool plants and farm machine stations were built in all parts of the country.

Thus, the Kumsong general tractor works, the "chungsong" tractor plant and several hundred trailing machine factories and farm machine stations have made their appearance in many places of the country.

With the brisk training of agrotechnicians, experts and tractor drivers the number has markedly increased.

Under the bright rays of the rural theses, the agricultural working people of Korea now do all farm work ranging from ploughing of paddy and non-paddy fields to sowing, rice-transplanting, weeding, harvesting, threshing and transport with the help of machines.

Achievements of Agriculture Academy Stressed SK2602045594 Pyongyang KCNA in English 0407 GMT 26 Feb 94

[Text] Pyongyang, February 25 (KCNA)—The Academy of Agricultural Sciences is situated on the outskirts of Pyongyang.

The academy, a centre of the development of the chuchebased agro-science, was founded on December 29, 1948.

The great leader President Kim Il-song who is always deeply interested in the agricultural development of the country, visited the academy on some 110 occasions and indicated the direction of comprehensively developing all fields of agricultural sciences and has wisely led the work for its realization.

Today the academy has more than 30 central institutes specialized in rice, maize, soil, cultivation, agrobiology, agro-chemistry and agricultural irrigation.

There are over 180 scientific research bases including branches of agricultural science and experimental farms in each province.

Thousands of scientists work there.

Among them are Kim Sang-yon and Kim Chong-hui, authoritative academicians, professors and doctors in the field of rice breeding and veterinary science, Yi Pong-hwi, a famous doctor in the field of maize breeding and hundreds of other people with academic degrees or titles.

According to data available, scientific research bases and ranks of scientists have increased tens of times and ranks of people with academic degrees or titles hundreds of times compared with the early period of its founding.

The academy has registered a large number of successes in the development of agricultural science of the nation since its foundation.

Upwards of 600 varieties bred introduced by researchers are now introduced.

They have rounded off farming methods suitable to region and soil on the principle of right crop in right time and proper crop in proper area.

It is noticeable in the field of cultivation that a signal success is recorded with the completion of a farming method in highland 1,000-1,400 metre high above sea level and double cropping method in South Hwanghae and Kangwon Provinces and other mild climate areas.

And different kinds of chemical fertilizers suitable to growing condition of crops have been studied and developed and their qualitative composition improved.

Now fertilizers are applied to all crops in the Korean countryside on the principle of complete manuring system.

Besides, a large number of farm machines have been invented and introduced by researchers of the Academy of Sciences. As a result, all farming work has been mechanized and a great success garnered in developing overall fields of agricultural production including soil and irrigation.

Researchers are now directing great efforts to getting new strains of rice and maize for a higher and stable yield and researching and completing a variety of fertilizers with domestic resources.

Services Provided at Rural Hospital Noted SK2602111894 Pyongyang KCNA in English 0412 GMT 26 Feb 94

[Text] Pyongyang, February 25 (KCNA)—There is a cosy people's hospital taking care of the health of farmers in Migam-ri, a remote mountainous area of Kim Hyong-kwon County, Yanggang Province, in the northern inland of Korea.

The hospital has an internal treatment department, a surgical department, a pediatric department and other specialized departments equipped with modern medical facilities, a laboratory, a dispensary and sick wards.

Doctors take charge of all people under the section doctor system. Doctors frequently call at farmers' houses to prevent a disease and take measure for patients.

As soon as children were born they are under the care of doctors and undergo regular medical examination, preventive inoculations and other systematic medical care.

The hospital has created thousands of acres of herb fields, produced different tonics to supply them to people.

Before the liberation of the country, Migam-ri was a place far behind from modern civilization. In those days there was no doctor. Endemic disease and other contagious diseases took a heavy toll of lives. But this has become the past thing forever.

Today Migam-ri has turned into a paradise of longevity where all the farmers are leading a happy and civilized life in good health. This represents all the rural villages of prospering Korea.

The policy of turning ri clinics into hospitals put forward by the great leader President Kim Il-song at the fifth congress of the Workers' Party of Korea (November 1970) was implemented across the country during the six-year plan. There are hospitals and medical networks with modern medical equipment and apparatuses in all places, a solitary islet as well as a mountainous village, where the people live and they protect the health of the people.

South Korea

Radio Notes U.S.-DPRK Contact Held in New York

SK2502233194 Seoul KBS-1 Radio Network in Korean 2205 GMT 25 Feb 94

[By Nam Song-hyon from New York]

[Text] A working-level contact between North Korea and the United States has resumed on the morning of 26 February [local time].

Thomas Hubbard, deputy assistant secretary of state for East Asia and Pacific affairs, disclosed before the meeting that the working-level contact was being held upon the request from the North Korean side, thus strongly hinted that the North Korean negotiators have received instructions from Pyongyang. Hubbard, head of the U.S. side, when asked what is the biggest stumbling block in the talks, said it is an exchange of special envoys between the North and South, a condition for the third round of U.S.-North Korean talks.

Prior to the working-level contact, an official of the North Korean mission to the United Nations revealed that something may happen and perhaps a conclusion may be reached today [local time], thus fueling speculations that a certain decision has been made in Pyongyang in connection with the exchange of special envoys.

Attention is now focused on how the two sides will narrow their differences in today's contact over the exchange of special envoys.

Diplomatic sources speculate that, if today's contact fails, chances are high that North Korea will buy time until 28 February, the date that the International Atomic Energy Agency will convene the special Board of Governors' meeting, and try to meet the U.S. side once more to tug out the final agreement.

Contact Fails To Reach Full Agreement

SK2602025294 Seoul YONHAP in English 0236 GMT 26 Feb 94

[Text] New York, Feb. 25 (YONHAP)—North Korea and the United States, resuming their working-level contact at UN headquarters on Friday to discuss Pyongyang's acceptance of nuclear inspections and other issues, failed to reach a final agreement.

After the meeting, Ho Chong, deputy chief of the North Korean mission to the United Nations, told reporters that he and U.S. officials had discussed taking four simultaneous steps but that they could not narrow their differences. Ho said a meeting would be held again later in the day, but U.S. representative Tom Hubbard, deputy assistant secretary of state for Asian and Pacific affairs, had a doubt about the possibility.

Hubbard was unsure whether another contact would take place later that day, citing the U.S. position that this was unnecessary unless North Korea offered a compromise.

At Wednesday's contact, Pyongyang proposed that it and Washington take four simultaneous steps including joint announcement of a third round of high-level talks and suspension of this year's Team Spirit military exercise. The other two steps are North Korea's positive consideration of meeting with South Korea on an exchange of special envoys, and Pyongyang's acceptance of International Atomic Energy Agency (IAEA) inspections, according to a North Korean official.

The U.S. delegation which attended Wednesday's contact returned to Washington on Thursday, but North Korean officials asked the Americans to resume their talks after receiving instructions from Pyongyang, according to sources.

Announcement of a final agreement had been expected at Friday's contact, but the two sides seemingly failed again to agree on an exchange of special envoys between South and North Korea, diplomatic sources said.

Pyongyang maintains that if Seoul proposed exchanging special envoys, it would agree to preparatory talks, while Washington asserts that the exchange must be realized.

Washington is saying that a decision on the schedule for the third round of high-level talks with Pyongyang and suspension of Team Spirit are possible only after the IAEA begins inspection of North Korea's nuclear sites.

North Korea, on the other hand, is insisting that all steps be taken simultaneously.

Ho Chong Interviewed on Contact

SK2802022594 Seoul HANGYORE SINMUN in Korean 28 Feb 94 p 3

["Exclusive" interview with Ho Chong, deputy chief of the North Korean mission to the United Nations, by Washington-based correspondent Chong Yon-chu on 26 February in New York]

[Text] [Correspondent's note] Ambassador Ho, who began his post in the North Korean mission to the United Nations in May 1989, has been the North Korean representative in major talks with the United States. He has also played the role of spokesman for the North Korean mission because of his outstanding English.

[Chong Yon-chu] An agreement has finally been reached through the talks. How do you feel after the settlement?

[Ho Chong] We now can expect a third round of highlevel talks and a package-deal settlement of not only the nuclear issue but also general issues between the DPRK and the United States in the third round of talks. In light of this, it is very fortunate that, although belatedly, the United States withdrew unfair [pudanghan] preconditions and an agreement was successfully reached. Now each of us has to exert maximum efforts so that peace on the Korean peninsula can be achieved through the package-deal resolution of the abnormal DPRK-U.S. relations.

[Chong] Why did the talks last longer than expected?

[Ho] Because the United States insisted on unfair preconditions.

[Chong] What were the preconditions?

[Ho] I cannot tell you concretely. The preconditions were unacceptable to us.

[Chong] Could you tell me about the contents of the agreement?

[Ho] The basic contents are as follows: "The DPRK and the United States, according to the principles of the DPRK-U.S. joint statement announced on 11 June 1993, have had several meetings in New York with the aim of exerting joint efforts to resolve the nuclear issue through dialogue.

Based on the negotiations, the DPRK and the United States agreed to take the following four measures on 1 March 1994. First, South Korea and the United States announce the suspension of the Team Spirit exercise. Second, inspections for the assurance of the continuity of nuclear safeguards, which was agreed on 15 February between the DPRK and the International Atomic Energy Agency, begin on 1 March. Third, a working-level contact for the North-South exchange of special envoys will resume in Panmunjom. Fourth, the DPRK and the United States will hold the third round high-level talks on 21 March 1994 in Geneva."

[Chong] According to the agreement, a working-level contact for the North-South exchange of special envoys will resume in Panmunjom on 1 March.

[Ho] If the South requests a working-level contact, it will be held immediately on 1 March.

[Chong] There were reports that you would be summoned home.

[Ho] I read from South Korean newspapers that I would soon leave. As a public official, I would leave if the government asks so. But I have not received such news.

[Chong] Will you be at the Geneva talks as well?

[Ho] We have to wait and see.

Agreement Reached on Inspections

SK2602090694 Seoul KBS-1 Radio Network in Korean 0800 GMT 26 Feb 94

[By New York correspondent Nam Son-yon]

[Text] In a working-level contact resumed in New York this afternoon, the United States and North Korea agreed to start nuclear inspections on 1 March and to hold the third round of U.S.-North Korean high-level talks in Geneva on 21 March.

Hubbard, deputy assistant secretary of state, and Ho Chong, deputy chief of the North Korean mission to the United Nations, held a contact today at the UN Head-quarters and said they had reached a four-point agreement on simultaneous actions [negae hangui tongsi haengdong chochi], including the above.

The U.S. and North Korean representatives said: The United States will announce the suspension of the Team Spirit exercise when nuclear inspections begin on 1 March after visas are issued to the members of the International Atomic Energy Agency inspection team. They also said that North Korea will concede to a working-level contact for the South-North exchange of envoys if the ROK proposes it first.

Right after the U.S.-North Korean talks, North Korea's Ho Chong said: The nuclear inspections to begin on 1 March will be conducted at the level necessary for guaranteeing the continuity of nuclear safeguards, and this is appropriate for the particular situation of the temporary suspension of the withdrawal from the Nuclear Nonproliferation Treaty [NPT] [haekanjon chochiui yonsoksong pojange piryohan sujunimyo inun haekhwaksan kumjijoyak taltoeui hyoryogul ilsi chungihan tuksusanghwange mannun gosirago malhaessumnida].

According to well-informed UN sources, the third round of U.S.- North Korean high-level talks, slated for 21 February, will endorse a package solution to the problems concerning North Korea's return to the NPT, its complete implementation of the Nuclear Safeguards Accord, the U.S. abandonment of its hostile policy toward North Korea and the cessation of nuclear threats.

Government Welcomes Agreement

SK2602100394 Scoul KBS-1 Radio Network in Korean 0903 GMT 26 Feb 94

[Text] The government welcomed to 'ay the agreement between North Korea and the United States on the schedule for nuclear inspections and expressed its expectation that this will help in the fundamental resolution [kunbonjogin haegyol] of the North Korean nuclear issue.

In a comment released today, Foreign Ministry spokesman Chang Ki-ho welcomed that, as a result of North Korean-U.S. contacts, nuclear inspections are

going to be realized and said that this is the result of the fact that the ROK and the United States have had close consultations and kept their invariable position.

Spokesman Chang said: I consider this result the first step in resolving the nuclear issue [haekmunje haegyorui ilchajok chochoro pyonggahanda]. I hope this step will be helpful for the fundamental resolution of the North Korean nuclear issue.

DPRK Issues Visas to IAEA Inspection Team

SK2702134094 Seoul KBS-1 Television Network in Korean 1220 GMT 27 Feb 94

[Text] Seven members of the International Atomic Energy Agency [IAEA] nuclear inspection team will depart Vienna for Pyongyang at 1040 [1340 GMT] tonight, in about an hour and 30 minutes from now. Breaking its previous practice of issuing visas only in Beijing, North Korea issued visas through the North Korean Embassy in Vienna on the afternoon of 26 February. Correspondent Cha Man-sun reports from Vienna:

[Begin Cha recording] The North Korean attitude toward the inspection team, which has been somewhat leery, is gradually relaxing. Breaking its previous practice of issuing visas only in Beijing, North Korea promptly issued visas through the North Korean Embassy in Vienna yesterday. In the past, when the number of inspection team members exceeded three, North Korea has demanded that the group be reduced. This time, however, North Korea issued visas to all seven members as demanded by the IAEA.

The IAEA expressed satisfaction with the North Korean follow-up steps, although delayed, and expressed the hope that North Korea will actively cooperate with the inspection team's activities.

The inspection team will depart Vienna for Beijing at 1040 tonight, Korean time, by Lufthansa, and will stay overnight in Beijing. The team will leave Beijing on 1 March by Koryo Airline and will arrive in Pyongyang at around 1730, Korean time. As soon as it arrives in Pyongyang, the inspection team will arrange the dates of inspection in Yongbyon and Pyongyang with relevant officials of the North Korean Ministry of Atomic Power Industry, and will launch a full-fledged two-week inspection of seven nuclear facilities beginning 2 March. This means that overall inspections of North Korea are revived and resumed nearly after a one year suspension. [end recording]

Team Departs for Pyongyang

SK2802012594 Seoul YONHAP in English 0034 GMT 28 Feb 94

[Text] Berlin, Feb. 27 (YONHAP)—A team of International Atomic Energy Agency (IAEA) experts left for North Korea Sunday afternoon to resume inspections halted nearly a year ago.

North Korea issued visas for the seven-man team through its embassy in Vienna Saturday after a series of negotiations with the United States on a compromise deal.

Pyongyang was to allow unrestricted IAEA access to its seven declared facilities and hold working-level talks with Seoul on an exchange of presidential envoys.

In return, Washington agreed to suspend this year's "Team Spirit" military exercise held jointly with Seoul and to conduct high-level talks with North Korea next month.

The IAEA inspectors will arrive in Beijing on Monday and reach Pyongyang on Tuesday. They will spend about two weeks checking the seven installations and another three to four weeks producing inspection reports.

The last full-scale inspection in North Korea took place in January last year. Checks since then have been restricted to replacement of batteries and film in monitoring devices.

Conditions for Inspections Noted

SK2702134494 Seoul YONHAP in English 1012 GMT 27 Feb 94

[Text] Seoul, Feb. 27 (YONHAP)—South Korea and the United States will make it clear that a decision on South Korea-U.S. joint military exercise, Team Spirit '94, would be made on the premise that IAEA inspections of North Korean nuclear facilities and exchange of presidential envoys between Seoul and Pyongyang will be fully implemented, a high-level government source said Sunday.

If the conditions were not met, the source said, plans to stage the military maneuver will be pushed for again. The South Korean government is expected to announce the suspension of Team Spirit '94 on Tuesday, the same day the inspectors from the International Atomic Energy Agency are scheduled to begin their tasks on seven declared nuclear sites in North Korea, the official said.

The United States will announce Tuesday the terms of the Pyongyang-Washington agreement made last Friday in New York and fully agree to Seoul's position, the source said.

Speculation on U.S. Policy Moves

SK2802023794 Seoul YONHAP in English 0228 GMT 28 Feb 94

[Text] Washington, Feb. 27 (YONHAP)—The United States is steadfast about not holding high-level talks with North Korea next month unless the two Koreas exchange presidential envoys first, sources here said Sunday.

Washington is expected to issue a statement supporting Seoul's announcement Tuesday suspending the South Korea-U.S. joint military drill "Team Spirit" this year, the same day that an International Atomic Energy Agency (IAEA) inspection team arrives in North Korea.

Washington will also clarify its position regarding what was agreed with Pyongyang at the New York contact on Saturday and reaffirm that the exchange of presidential envoys is a prerequisite to the high-level talks, sources said.

The United States and North Korea ended grueling negotiations that ran past midnight Saturday, when the latter agreed to permit IAEA inspections and reopen talks with South Korea on the envoys' cross-visits in exchange for Team Spirit's suspension and North Korea-U.S. high-level dialogue.

The date for the third-round meeting between Washington and Pyongyang, when they will discuss overall improvement in relations, was set for March 21 in geneva. But some diplomatic observers say uncertainty remains over whether the third round of high-level dialogue will start as planned or be delayed if the inter-Korean envoy exchange does not occur by March 21.

President Bill Clinton reportedly convened a meeting of his national security advisers at the white house Saturday to discuss the North Korean nuclear situation.

Assistant Secretary of State Robert Gallucci and deputy assistant secretary Tom Hubbard, both representatives at the talks with North Korea, will fly to South Korea early next month to coordinate a stance on the Pyongyang-Washington high-level meeting, sources said.

Government To Propose 2 Mar N-S Dialogue SK2602093594 Seoul YONHAP in English 0824 GMT 26 Feb 94

[Text] Seoul, Feb. 26 (YONHAP)—The South Korean Government will propose to North Korea to meet at the southern side of the truce village of Panmunjom on March 2 to discuss exchange of special envoys in a telephone message on Feb. 28. Seoul's action comes after North Korea agreed to allow International Atomic Energy Agency (IAEA) inspections in its nuclear sites from March 1 in a working-level meeting with the United States late Friday. The North Koreans said they will resume inter-Korean dialogue if the South proposes it in the New York meeting.

Seoul's telephone message to be sent under the name of Prime Minister Yi Hoe-chang to his North Korean counterpart Kang Song-sang will propose a working-level contact on March 2. If realized, South and North Korea would be resuming their first dialogue in four months after the third meeting last October broke down.

The government is likely to announce suspension of this year's Korea-U.S. military exercise "Team Spirit" if North Korea fully cooperates with IAEA inspections and

shows sincerity in inter-Korean dialogue around the same time South and North sit down for working-level talks.

If the talks go smoothly, the first exchange of presidential envoys is expected to take place sometime in March 10-15 before the third round of high-level Pyongyang-Washington talks.

Seoul and Pyongyang have so far differed in the form, schedule, and content of discussions by their special envoys, but Seoul officials say they hope to sign an agreement on the exchange in the fourth or fifth contact.

Government Plans for Exchange Noted

SK2802013294 Seoul YONHAP in English 0028 GMT 28 Feb 94

[Text] Seoul, Feb. 28 (YONHAP)—The government plans to discuss not only the North Korean nuclear issue but also a summit between Presidents Kim Yong-sam and Kim Il-song and unification if the two Koreas agree to exchange special envoys.

The special envoys would also discuss problems related to implementation of the basic inter-Korean accords reached in December 1992, government sources said Monday.

The government plans to tell North Korea when working-level officials of the two sides meet at the truce village of Panmunjom on Tuesday that Seoul could show flexibility by sending a special envoy to Pyongyang first, around March 15, they said.

These decisions were made at a meeting Sunday morning of government leaders concerned with unification, who agreed to send an official letter in the name of Prime Minister Yi Hoe-chang to his North Korean counterpart Kang Song-san.

Seoul's decisions would help break the impasse between the two Koreas since a series of three working-level contacts last October, they said.

In the previous contacts, Seoul proposed discussion of the nuclear question and implementation of the basic inter-Korean accords. But the North Korean side insisted on discussing Kim II- song's "10-point" proposals for unification and an inter-Korean summit meeting.

With regard to the special envoy exchange, South Korea maintained that since it was initially proposed by the North, Pyongyang should be the first to send its envoy to Seoul while the North asked the South to send its envoy first to Pyongyang.

"Taking the date for a third round of high-level talks between the United States and North Korea into consideration, the (Seoul) Government position is that an exchange of inter-Korean special envoys will have to be realized around March 15," one government official said.

At Tuesday's meeting, problems with exchanging special envoys would be discussed, the official added.

The official said there has been no change in the U.S.-South Korean position that the envoy exchange must take place before a third round of U.S.-North Korean high-level talks.

As long as that basic position was maintained, the official hinted, other issues such as whose special envoy should visit first could be flexible.

South Sends Message to North

SK2802013994 Seoul KBS-1 Radio Network in Korean 0105 GMT 28 Feb 94

[Text] The government has sent a telephone message in the name of Vice Minister Song Yong-tae, our side's delegate to the North-South contact for the exchange of special envoys, to the North Korean delegate Pak Yongsu this morning proposing a working contact in Panmunjom on the morning of 1 March for the exchange of special envoys.

In the telephone message, delegate Song Yong-tae stressed that the exchange of special envoys should be materialized as soon as possible through a North-South working contact at an early date. He proposed that the fourth round of working contact be made at the House of Peace in our side's area in Panmunjom at 1000 [Korean standard time] tomorrow.

Delegate Song Yong-tae stressed that in connection with the issue of the exchange of special envoys, North and South Korea showed no differences except a couple of things, and hoped that the pending issues, such as the nuclear issue, which stand in the way of progress of inter-Korean relations, will be resolved through the exchange of special envoys at an early date.

Official Says Not Enough Time

SK2802093394 Seoul YONHAP in English 0920 GMT 28 Feb 94

[Text] Seoul, Feb. 28 (YONHAP)—South and North Korea realistically have just enough time for only one of the two sides to dispatch a presidential envoy, and this will have to be enough to meet the prerequisites for the third round high-level Pyongyang-Washington dialogue, an official here said Monday.

The official said Seoul's announcement on suspending South Korea-U.S. joint military exercise "Team Spirit" can be made only after the inter-Korean contact takes place at the truce village of Panmunjom.

North Korea said it will respond Tuesday to South Korean proposal for contact, clouding chances that the inter-Korean meeting can take place in the morning as expected. If the meeting fails to open, then the Team Spirit suspension announcement would necessarily have to be delayed as well, the official said.

Pyongyang and Washington agreed on a small package deal where they and Seoul would announce on Tuesday the steps each would take.

North Korea is to accept an International Atomic Energy Agency (IAEA) inspection team and allow it to begin nuclear check from March 1.

South Korea, in return, is to announce Team Spirit suspension while the United States will announce the date and place of next round of high-level dialogue with North Korea.

Announcements by Seoul and Washington, however, carry conditions that North Korea must allow unrestricted inspections by the IAEA and must successfully carry out inter-Korean exchange of presidential envoys.

"We hope that both Seoul and Pyongyang would be able to exchange envoys before the North Korea-U.S. meeting. But realistically, time allows us to have only one side make the visit," the official said on condition of anonymity.

The Pyongyang-Washington dialogue is set for March 21 in Geneva.

Family Reunions Sought at Contact

SK2802062994 Seoul YONHAP in English 0554 GMT 28 Feb 94

[Text] Seoul, Feb. 28 (YONHAP)—The deputy prime minister and minister of the National Unification Board (NUB) said on Monday that the government will press for reunions of dispersed families in South and North Korea at their working-level contact on exchanging special envoys.

Minister Yi Yong-tok told the National Assembly's committee on foreign affairs and unification that the urgent problem of separated families should be solved along with the North Korean nuclear issue.

North Korea, in talks with the United States on Saturday, agreed to permit inspections by the International Atomic Energy Agency (IAEA) on March I on condition that South-North contacts on exchanging special envoys are held in early March.

During the 1950-53 Korean War, about 10 million people were separated from their families and have since not been able to meet with relatives on the other side of the divided peninsula.

Yi also said the government will strive to solve pending inter- Korean issues like the nuclear problem through direct talks, considering public opinion which holds that South Korean efforts alone have been insufficient.

The special envoys to be exchanged will deliver personal letters from their respective presidents and discuss major issues and the holding of an inter-Korean summit, according to the NUB minister.

In particular, the envoys will seek a breakthrough in the nuclear problem, normalized implementation of the South-North basic agreement and a joint declaration on denuclearization of the Korean peninsula, Yi said.

On the possibility of an inter-Korean summit, he said: "There is no change in the government position that the nuclear problem should be solved first. The summit meeting will discuss broadly all issues including the nuclear problem, but this means basing such discussion on prior settlement of the nuclear problem."

Yi expected that the third round of high-level talks between North Korea and the United States may focus on North Korea's complete return to the Nuclear Non-proliferation Treaty (NPT) and Pyongyang's demand that Washington refrain from using nuclear weapons first.

"Conclusion of a peace treaty between Pyongyang and Washington and improvement of bilateral relations are also expected to be dealt with at the third round of talks," Yi added.

But North Korea, Yi said, will likely try to retain its "special position" of having suspended its withdrawal from the NPT while trying to use the IAEA's special and routine nuclear inspections and complete return to the NPT as negotiating cards at the talks with the United States.

Official Reportedly Visited DPRK in January SK2602021194 Seoul CHOSON ILBO in Korean 26 Feb 94 p 1

[By Washington correspondent Chong Hae-yong]

[Text] Political circles in Washington speculate that a high-ranking ROK Government authority secretly visited Pyongyang around the end of January and met with high-ranking North Korean officials to discuss measures for the resolution of the nuclear issue, including the denuclearization of the Korean peninsula, and pending issues including the exchange of South and North special envoys, and the possibility of South-North summit talks.

According to a Washington source well-informed of U.S. Government and North Korean affairs on 25 February, it has been learned that a high-ranking ROK Government official who is in the position to control North Korea-related intelligence, went to Pyongyang around the end of January to discuss measures to resolve the stalemate nuclear issue and follow-up issues after nuclear inspections. The source said that Ho Chong, deputy permanent representative of North Korean mission to the United Nations and who is the communication channel for the U.S.-North Korean contact in New York,

was summoned to Pyongyang while the ROK "secret nuclear envoy" was in Pyongyang.

Noting that around that time, Rev. Billy Graham visited Pyongyang to play the role as a messenger for President Clinton and Kim Il-song, the source analyzed that there were behind-the-scene contacts between the ROK, United States, and North Korea to seek a breakthrough for the resolution of the nuclear issue.

The source also said that the reason relevant highranking ROK Government officials showed optimistic opinions that the inspections will be conducted soon and the nuclear negotiations will be settled while the United States expressed concern over the twisted nuclear talks early February was because of such secret contacts.

Asked about the secret visit to North Korea by a highranking ROK official at the end of January, a highranking government official denied the fact by saying, "It is absolutely not true."

Deputy Prime Minister Discusses Nuclear Issue SK2702091194 Seoul HANGUK ILBO in Korean 27 Feb 94 p 5

[Interview with Yi Yong-tok, deputy prime minister and national unification minister, by Yu Sung-u; place and date not given]

[Text] [Yu] On 26 February, North Korea and the United States reached an agreement that will enable the International Atomic Energy Agency [IAEA] inspections to begin in Pyongyang.

Earlier this year in its report, the National Unification Board [NUB] envisaged that a breakthrough would be made into the nuclear issue sometime this year and, in turn, North-South relations would reach a turning point. Do you think such prospect has hit the target?

[Yi] I think it is fortunate that the North Korean nuclear issue is taking the road to peaceful settlement through dialogue and negotiation. However, this is only a first step and, depending on North Korea's attitude, there are various obstacles we have to overcome. Accordingly, the time is not ripe to have an upbeat view. Furthermore, we should remember that North Korea, in the New York contact, opposed until the end to committing itself in writing to the issue of realizing an exchange of special envoys.

[Yu] In a news conference marking his one year in office, President Kim Yong-sam said that he will push for an inter-Korean summit. Could you tell us about the background behind his proposal and do you think it is likely to come true?

[Yi] I think President Kim's recent proposal goes one step further from his previous stance that the summit would only be possible after the nuclear problem was solved. In other words, he showed a flexible and converted view on the issue. This reflects his will to promote North-South relations more positively on his own initiative at a time when the international efforts to resolve the North Korean nuclear issue are heading toward a positive direction. Nonetheless, this has a condition that "only if it would help deter North Korea's nuclear development program." So, there is not a fundamental change in the government's stance stressing the solution of the nuclear problem above anything else.

[Yu] Sparked by the president's proposal on the summit, will there be a change in the special envoys' duties and the purpose of their exchange? There is speculation that the duties of special envoys will be detached from the nuclear issue and that they will only discuss the issue regarding preparations for the summit. Could you tell us more about this?

[Yi] As I have mentioned earlier, the government's stance stressing the solution of the nuclear problem above anything else has not changed. The president's will to go to a summit does not necessarily mean that the duties and tasks of special envoys would change. Accordingly, the nuclear issue should be dealt as a priority if the exchange of special envoys was realized before the third round of U.S.-North Korean talks. Along with this, I expect that the issues for promoting North-South relations, including the high-level talks and the operation of joint committee of each field, and the holding of summit will be discussed.

[Yu] Do you think there will be visible results in improving South-North relations during the exchange of South and North special envoys?

[Yi] We hope that discussions on ways to solve the issue of separated families can be held first. At the recent U.S.-North Korea contact, both sides agreed to hold the third round of high-level talks on 21 March. I believe that the exchange of South and North special envoys must be achieved before 21 March. It will take two to three weeks for the IAEA inspection team to finish the inspections, and another two to three weeks for it to analyze the results. I believe that a state of flux may continue even when the third round of talks is in progress. I hope that during this process both sides will want to meet with each other and reach an agreement on the issue of holding the summit talks.

[Yu] In what form do you plan to propose to the North Korean side regarding the separated families issue, which is one of the most important tasks the government is promoting?

[Yi] In connection with this issue, authorities in the past have repeated revealed that "it will be promoted first of all," and that "it will be promoted actively." No one said that the separated families issue will "be linked with other pending issues." There must be concrete and visible results regarding the separated families issue in the process of exchanging South and North special envoys I believe that reunion of separated families will be the first step in South-North reconciliation and exchange. However, we do not want to put a heavy

burden on the North Korean side. I believe we can wait somewhat on the issue of exchanging visits between the South and North. Nevertheless, I hope that we will be able to at least confirm the life or death of our families, establish an office to exchange letters and a reunion office in Panmunjom, and work so that a limited number of people can meet with each other. This has already been proposed to the North Korean side.

[Yu] What other visible measures are there for us to take, other than the issue of separated families, in trying to induce North Korea to open up and show change?

[Yi] It can be human exchanges such as exchange of religious organizations and cultural organizations. If meetings between authorities such as the exchange of special envoys of the South and North start sometime in March, I believe that the exchange of people in the social and cultural fields will begin. The government has received applications for exchange between religious organizations such as the Chondoist in March and for the exchange between women organizations sometime in April.

[Yu] Some people point out that inflexible principles that linked the nuclear issue with economic cooperation have to be reconsidered.

[Yi] We are of the principle to flexibly deal with the economic cooperation issue in accordance with the progress in the North Korea's nuclear issue. The stage-by-stage scenario on economic cooperation is achieved by three stages taking into consideration the overall situation of the South-North relations. If we reach the third stage, I believe that the atmosphere will be that we will be able to solve all South-North issues. The success or failure regarding this matter is wholly dependent on the attitude of North Korea.

[Yu] Was there a concrete message indicating that North Korea wanted our economic cooperation?

[Yi] Up until now invitations sent by North Korea's responsible people to our businesses amount to 40 cases. Proposals came from North Korea to our prominent businesses to establish plants in such and such a place, and to take part in investment in infrastructure in the Najin-Sonbong area.

[Yu] Can you tell me your ambition and plan during your term of office?

[Yi] Economist Max Singer wrote in his book entitled, "Passage to a Human World," that Korea will have the second largest gross national product in the world in the year 2064, under the condition that reunification is achieved. I believe in this. I will work so that all the people can restore moral health, and persistently make efforts to foster democracy. Also, I will sincerely work so that the we can welcome with emotion the opening of the "era of putting into practice the joint declaration on denuclearization."

Dailies on DPRK Acceptance of IAEA Inspection SK2702143494

[Editorial Report] The following is a compilation of reports and editorials from the ROK vernacular press published on 27 February on the agreement reached between the United States and the DPRK in a working-level contact in New York on the DPRK's acceptance of nuclear inspections.

The liberal daily TONG-A ILBO carries on page 3 a 1,300-word article by Washington-based correspondent Nam Chan-sun under the headline "Significance of the Settlement of the Inspection Schedule Agreed Between North Korea and the United States."

The article notes that when the International Atomic Energy Agency [IAEA] inspection team starts the nuclear inspection on 1 March, the ROK side will announce a "suspension" of the Team Spirit exercise for this year, and thus the road toward the third round of U.S.-North Korea high-level talks will be "opened." Assessing the current agreement as a step in removing another "stumbling block" to a solution of the North Korean nuclear issue, the article stresses that the "stalemate" in the past U.S.-DPRK talks was caused by a "lack of mutual trust" and by "difference in views" on designating the date of the third round of high-level talks and on the "issue of North-South dialogue." North Korea tried to "step up" the dialogue with the United States and to "exclude" the ROK while "delaying" the North-South dialogue, but finally agreed that the United States announce on 1 March its position that "it will not respond to the third round of high-level talks unless the exchange of special envoys between the North and the South is realized." Noting that this agreement was made on the condition that "if the South proposes dialogue for the exchange of envoys, the North will respond," the article pays attention to the North Korean attitude on North-South dialogue and to the "degree of progress" in the dialogue up until high-level talks are held.

The moderate daily CHUNGANG ILBO publishes on page 3 a 1,200-word editorial entitled "This Is Only the Beginning of the North Korean Nuclear Issue." Noting the recent agreement as a "fortunate achievement" attained through dialogue, the editorial says that North Korea has been seized with "a sense of crisis and the sense of persecution" in view of its claim that "the IAEA put forward unreasonable demands" to North Korea. The editorial notes that the U.S. Government revealed its position that "missile export, terrorism, the human rights issue and even the conventional military power" of North Korea must be "discussed" before completely accepting the North Korean demands, and that "difficult problems," which may be raised in the future due to North Korea's act of "picking a quarrel," should be resolved through "patience" and "efforts."

The conservative daily CHOSON ILBO publishes on page 3 a 1,300- word article by reporter Pak Tu-sik under the headline "The U.S.- North Korea Agreement and

Prospects for North-South Relations." Paying specific attention to the content regarding the exchange of North-South special envoys included in the recent U.S.-North Korea agreement, the article urges the holding of the special envoys exchange "for discussion of the nuclear issue" and "for realizing a North-South summit." Noting that our government called on the United States "absolutely not to concede" to North Korea on the principle on the exchange of special envoys during the talks in New York, the article predicts that the exchange will be realized even "as a matter of formality" because it is North Korea's "commitment" that should be fulfilled within a little over "20 days." However, the article concludes, "the visibility is still poor."

The moderate daily KYONGHYANG SINMUN publishes on page 3 a 1,200- word article by Washingtonbased correspondent Kim Hak-sun under the headline "North Korea-U.S. Negotiations Are Now on the 'Political Table." Explaining the process in past North Korea-U.S. talks on the nuclear inspection issue, including the "highly strained" 25 February contact in New York, the article says that the two sides set "21 March" as the date of the third round of high-level talks, because at least "two or three weeks" are required for "proving the continuity of nuclear safeguards" even after the IAEA inspection starts, and because the ROK and the United States believed that this length of time is needed for "evaluating the sincerity in accepting the nuclear inspection" and for realizing the exchange of North- South special envoys. The article pointed out that both the ROK and the United States reportedly "have driven a wedge" on the road toward the third round of U.S.-North Korea high-level talks so that the talks are "canceled" in the event that North Korea does not show "sincerity" in the nuclear inspection and exchange of special envoys. Therefore, North Korea will not carry out "harmful acts" to the third talks. The article concludes that the U.S.-North Korea agreement means that the two sides are now moving toward "the full-scale political negotiation stage."

The economy-specialized daily SEOUL MAEIL KYONGJE SINMUN publishes on page 3 a 1,500-word article by reporters Yi Tong-chu and So Yang-won, under the headline "Significance in the Settlement of North Korea-U.S. Working-level Contact." The article points out that at the contact, North Korea made a "somewhat unusual demand" that the content of the agreement be announced in the form of a "joint statement," noting this shows North Korea's persistent "adherence" to the third round of U.S.-North Korea talks. The article refers to remarks of a relevant government official that "the most serious stumbling block" during the U.S.-North Korea negotiations was "the issue of exchange of special envoys" and that North-South relations will be solved by the "parties concerned" prompted by President Kim Yong-sam's recent "summit proposal through the exchange of special envoys." The North and the South are expected to discuss concretely "the qualifications and missions of special envoys and

the time and method of their exchange" during a working-level contact to be held "within this week." The article points out a government official's "optimistic view" that "the special envoy of either the North or the South will be able to visit the other side before 21 March, when the third round of U.S.-North Korea talks are held." However, the article notes that the North may come to the North-South dialogue "without attaching any importance to it" because North Korea only adheres to "dialogue with the United States."

The government-supported daily SEOUL SINMUN publishes on page 3 a 1,200-word editorial entitled "We Watch the Time After The U.S.- North Korea Nuclear Agreement." Pointing to people's "depressed feeling" despite "the sign of the situation moving toward the right direction" with the agreement, the editorial notes that this is because North Korea's "nuclear transparency" cannot be guaranteed by the forthcoming IAEA inspections alone and because the issue of "special inspection of two undeclared sites—the cause of commotions—" is left as a pending question. Therefore, the editorial stresses, the "task" henceforth is the implementation of "special inspection" of these facilities.

The editorial points out that "how sincerely North Korea will cooperate with the IAEA inspection; what the result of the forthcoming ordinary inspection would be, and what the North side's attitude on North-South working contact for special envoys exchange is, will be the "targets" of the people's attention in deciding North Korea's "true intention." Emphasizing that the North's acceptance of "special inspection" and "mutual inspection" would be an important evidence of North Korea's "good intention," the editorial hopes that with the acceptance of these two inspections, the North's "nuclear transparency" should be ensured.

The leftist-leaning daily HANGYORE SINMUN publishes on page 3 a 1,700-word article by Washingtonbased correspondent Chong Yon-chu, under the headline "Road Opened for Full-scale North Korea-U.S. Political Talks." Noting an important "breakthrough" was made toward the nuclear inspection and the third round of high-level talks after the agreement was adopted, the article regards the agreement as an "important milestone" for full-fledged political talks between North Korea and the United States, and as a "qualitative change" in relations between the two countries, thus exercising "fundamental influence" on the Korean peninsula and its neighboring countries. The article points out that the U.S. position stressed the "insurance of transparency in the North Korean nuclear issue" and that North Korea attempted to "tightly hold" the nuclear card in an effort to improve "political and economic relations" with the United States. The article emphasizes that regardless of the remarks of some people that "nothing has basically changed in the North Korean nuclear issue," this issue is advancing toward a "smooth, positive solution" judging from "the overall situation." The article then refers to the remarks of North Korean Ambassador Ho that during the forthcoming third round

of high-level talks, "the complete return of North Korea to the Nuclear Nonproliferation Treaty; North Korea's implementation of the nuclear safeguards accord; the U.S. abandonment of hostile policy against North Korea and the suspension of its nuclear threat, and other overall political, diplomatic and economic issues" will be discussed. Pointing to some people's allegation on the "necessity" of the North-South summit, the article pays attention to how the North Korean side would "respond" to President Kim Yong-sam's recent summit proposal.

Asylum for DPRK Loggers Granted 'Tentatively'

SK2702081994 Seoul CHOLLIAN Database in Korean
0116 GMT 27 Feb 94

[From CHUNGANG ILBO: "Government Considers Allowing Defection of North Korean Loggers Who Escaped From Logging Camps in Siberia"]

[Text] The government has tentatively decided to accept North Korean loggers to seek asylum after escaping from logging camps in Siberia. It was learned that consultations over this matter will be discussed among related ministries soon to settle this matter.

A government official said on 27 February: "Considering our relations with Russia and North Korea, the government has not accepted requests to defect from North Korean loggers who escape from logging camps in Siberia. However, since the number of those who want to defect is over 100, this is a matter that can no longer be ignored. A meeting of related ministries will be held and a final decision made on whether to allow the North Korean loggers to defect."

This official also revealed: "The government has already held a meeting with the National Unification Board [NUB]; the Foreign, Home Affairs, and Justice Ministries; and the Agency for National Security Planning [NSP] to deal with this matter. They agreed to examine the possibility of their defection."

An official who participated in this meeting said: "Diplomatic problems with Russia and China could arise if the North Korean loggers are allowed to seek asylum and settle in the ROK. We have, however, generally agreed to allow them to seek asylum from a humanitarian perspective."

In the news conference on the first anniversary of his inauguration on 25 February, President Kim Yong-sam said: "The issue of allowing the North Korean loggers in Siberia to defect is a matter that must be examined at the international law level. However, basically, we will deal with this matter from a humanitarian and human rights perspective." An official said: "Director-level officials of the NUB; the Foreign, Home Affairs, and Justice Ministries; and the NSP will hold a meeting to deal with this matter. Before allowing the North Korean loggers to defect, discussions will be held on requesting Russia to

issue exit visas and on how to deal with the problems that will arise if they settle in the ROK."

In addition to our embassy and consulate general in Russia, the North Korean loggers are seeking asylum at our embassies in Uzbekistan and Kazakhstan. Recently, the Chinese Embassy there has also been flooded with defection requests. It is being pointed out that it is urgent to take measures regarding this matter.

Kim Chong-il Reportedly Suffers From Disease SK2702014194 Seoul TONG-A ILBO in Korean 27 Feb 94 p 2

[By Kim Chung-kun from Beijing]

[Text] It was learned that North Korean Workers Party Secretary Kim Chong-il, who has not appeared at an official meeting for over a long period of time, is suffering from a serious disease of his psychoneurotic system [chongsin singyongkyetong].

A source in China well-informed on North Korea reported on 26 February that as a result of pursuing various rumors regarding Kim Chong-il that he was in a traffic accident, that he was shot, and that he is about to lose his position, it was learned that all these rumors were false. This source however said: "It has been indirectly confirmed that it is almost impossible for Kim Chong-il to receive foreign guests or carry out official work because of the worsening of his disease of the psychoneurotic system."

Paper Says DPRK Training Special Commando Unit

SK2802024294 Seoul SEOUL SINMUN in Korean 28 Feb 94 p 16

[NAEWOE News Agency report]

[Text] It has been learned that North Korea established a special military unit called "commando unit" [tukkong yukchondae] and secretly trains it. Recently acquired documents on North Korea show that North Korea selected members of the commando unit from the "Nampo Military and Political School" and gives them ideological education. The commando unit is composed of orphans who have no close relatives. North Korea divided the 39 members of the commando unit (30 men and nine women) in two platoons and gives them spy training to send them to South Korea.

Agreement Reached With U.S. on Patriot Deployment

SK2602095594 Seoul YONHAP in English 0719 GMT 26 Feb 94

[Text] Seoul, Feb. 26 (YONHAP)—South Korea and the United States are currently discussing the matter of deploying Patriot missiles in the Korean peninsula, but now that North Korea has accepted to allow nuclear

inspections, the two agreed to be flexible about the timing of deployment, Defense Minister Yi Pyong-tae said Saturday. The Patriot missile under consideration for deployment in Korea are Pae-II type, the latest operated by the U.S. military that has been advanced from the weapons used in the Gulf war, Yi told the National Assembly's National Defense Committee.

Considering that not only Seoul, but also as far as Suwon is within missile attack from the North, it is meaningless to operate the anti-missile weapon in the capital just to intercept North Korean Scud missile attack, he explained. Therefore, he added, Seoul and Washington are considering to use Patriots to defend airport, port, command post, and other military areas.

The U.S. Forces in Korea will be in charge of maintaining and operating the missiles and Seoul does not need pay any extra, he said. The defense minister said purchasing the missiles was another matter and needed to consider more over a long time before reaching that stage.

Businessman on U.S. Pressure on Trade Ministry SK2602025594 Seoul THE KOREA TIMES in English 26 Feb 94 p 8

[By staff reporter Chae Hui-muk]

[Text] U.S. Secretary of Commerce Ronald Brown has sent a letter to his Korean counterpart Kim Chol-su, asking for help in a lawsuit involving the top managers of two U.S. firms here, business sources said yesterday.

David D. Ussery, representative director and president of detergent retailer Amway Korea; Jason Li, general manager of health food seller Sunrider International Korea; and nine other persons working for the firms are on trial for alleged illegal retailing in the form of so-called multi-layer home-visit sales. This is pressure on the Korean government and its aim is to rescue the U.S. businessmen from the lawsuit although the courts are independent of the administration, a businessman said.

It follows an earlier American attempt by Defense Secretary William Perry to put pressure on his Korean counterpart Yi Pyong-tae to buy airborne radar jamming device manufactured by a U.S. firm, he said.

Late in December last year, Perry sent a letter to Minister Yi and the letter was disclosed early this month, causing public criticism against the United States.

An official of the Trade-Industry-Energy Ministry confirmed the reception of the letter, refusing to disclose details. He said, "The letter came late last month. But we cannot disclose the contents of the letter as it involves a sensitive trade issue."

Prosecutors arrested Ussery, Li and five other persons working for the two firms charging them with illegal retailing on July 1 last year. This was the first arrest of foreigners in violation of the law on home-visit sales.

U.S. President Bill Clinton expressed "concern" about the issue during his visit to Seoul July 10-11 last year.

Prosecutors filed a summary suit against the top managers of the two firms and nine others Nov. 16 to wind up the sensitive case quickly with a mere cash penalty. But the Nambu (southern) branch of the Seoul District Criminal Court ordered a formal rather than summary trial Dec. 9, refusing the summary indictment requested by the prosecutors.

Stating his reasons for ordering the formal trial, Judge Min Pyong-hun of the court said, "There has been a dispute about the legal interpretation of the law on home-visit sales. It also would have been hard to make a ruling based on the investigation records produced by prosecutors. As a result, a formal trial was needed where evidence and arguments can be brought forward."

The first trial will reportedly be held next month.

Government Denounces West Bank Massacre SK2802100194 Seoul YONHAP in English 0841 GMT 28 Feb 94

[Text] Seoul, Feb. 28 (YONHAP)—The South Korean Government on Monday called the recent killing of Palestinians in the West Bank "an unforgivable act of violence" and urged involved parties to exercise restraint.

Foreign Ministry Spokesman Chang Ki-ho issued a statement deploring the killing, saying the Seoul government "believes that such an unforgivable act of violence is in no way of help to the on-going Middle East peace process."

The Korean Government calls upon all parties to prevent the recurrence of such a tragic and terrible incident, the statement said.

Seoul hopes that "they overcome this tragedy and continue to exert their efforts for early realization of the Palestinian self-rule and for settlement of permanent peace in the region through dialogue and reconciliation."

Investment Shifts From ASEAN Countries to PRC

SK2602022294 Seoul YONHAP in English 1147 GMT 25 Feb 94

[Text] Seoul, Feb. 25 (YONHAP)—South Korean industries made direct investments totaling 41.7 million dollars in China last month on an approval basis, a Bank of Korea material showed on Friday. The investments were in 64 projects and represent a 94.9 percent increase over last year's January.

Since November 1988 when Korean industries began to invest in China, South Korean industries' investments in China totaled 999.6 million dollars in 1,104 cases as of the end of last January.

It accounted for 13.7 percent of the total investments of 7,276.4 million dollars made by South Korean industries abroad during the same period.

The sharply increased investment in China in the recent past was owing to the fact that many industries have moved away from ASEAN countries to China attracted by cheap wages and improved investment climate there following diplomatic normalization between Seoul and Beijing.

In contrast, investment conditions in ASEAN countries have deteriorated lately due chiefly to sharp wage increase and cut-throat competition among Korean industries, a business source said.

Opposition Wants Government To Revisit GATT SK2502061994 Seoul THE KOREA TIMES in English 25 Feb 94 p 8

[By staff reporter Sa Tong-sok]

[Text] The government is in trouble in dealing with remnants of last December's GATT (General Agreement on Tariffs and Trade) world trade accord as the world's trading powers are holding back the submission of their country schedules. Korea was initially scheduled to submit its country schedule to GATT on February 15 but has since been delaying its submission as the United States and Japan locked horns over the issue of abolishing tariffs on some products.

While delaying the submission of its country schedule, Korea has come under strong pressure from opposition political parties and the general public to reopen negotiations on the concluded Uruguay Round trade accord. On the surface, the government rules out the possibility of reopening GATT talks, saying the U.S. and Japan will submit their country schedules shortly after resolving the tariff problem.

Government officials say the latest trade friction between Washington and Tokyo won't escalate into such a point where last December's GATT accord will be nullified. The trade friction between the two countries emerged as Japan backed down from its earlier promises in the Uruguay Round of trade talks by proposing withdrawing tariff concessions in its country schedule.

After Japan committed itself to withdrawing its earlier tariff concessions on imported wood products, the U.S. made a similar action by revoking its promise to abolish tariffs on some imported electronic products including semiconductors.

As the two countries are locked in a battle over the tariff problem, Korea is now withholding submitting its country schedule, keeping a close watch on how the U.S. and Japan act. But the government's "cautious action" has aroused public opinion urging the government to consider reopening talks on last December's GATT accord.

A call for reopening GATT talks is gaining strong momentum as last December's accord is accepted as unsatisfactory, especially in the field of farm trade in which Korea was obligated to open its rice market to imported goods for the first time in its history.

Reopening GATT talks has emerged as a political issue after Prime Minister Yi Hoe-chang hinted at the possibility of reopening GATT talks at the ongoing extraordinary session of the National Assembly only on the condition that the world's economic powers withdraw their already-promised concessions. But officials at the Economic Planning Board [EPB] are skeptical about the possibility that the entire textbook of last December's GATT accord will be nullified.

"The latest trade battle between Washington and Tokyo is nothing but a tempest in a teacup and won't put the whole GATT accord at jeopardy," an EPB official said. The official said Korea will take similar action to what the other economic powers do.

"If the U.S. and Japan withdraw their tariff concessions, Korea will also revoke its earlier promise to abolish tariffs on imported semiconductors and copper," he said. But most government officials say it will be all but impossible to rewrite the textbook on world farm trade, an issue in which Koreans have keen interest.

"Only when other countries try to revise the farm trade accord, will we consider taking similar action, but at the moment no one is trying to do so," the EPB said.

Departments Said Confused by Summit Proposal SK2602110894

[Editorial Report] Seoul CHUNGANG ILBO in Korean on 26 February publishes on page 5 a 1,300 word article on President Kim Yong-sam's remarks made during a news conference on 25 February on the summit talks with North Korea and states that they are causing considerable confusion, particularly within the government departments in charge of North Korean relations. The article points out that the president's remarks will inevitably result in the adjustment of the repeated three conditions in resolving the nuclear issue: First, the retreat from the withdrawal from the Nuclear Nonproliferation Treaty; Second, acceptance of International Atomic Energy Agency inspections; and Third, agreement on mutual inspections between the South and the North.

The article goes on to say that the related government departments are embarrassed by the president's remarks deeming them as "spontaneous" rather than well studied and planned in advance.

The author of the article points out that although Chong Chong-uk, senior presidential secretary for security affairs, tried to extensively explain that this does not run counter to the government's past North Korean policy, his effort only highlights the difference between the

president's past and present remarks regarding the nuclear issue and summit talks.

Recalling President Kim's remarks made at the 100-day news conference on 3 June, 1993 when he said "We cannot shake hands with someone who possesses nuclear arms" and in his inauguration speech on 25 February, 1993 when he said "I could meet with Kim Il-song anytime, anywhere" the reporter notes that it could be said that there have been temporary changes in policy but that the president's philosophy of the national issue remains unchanged. However, he adds, what embarrassed officials in charge of North Korean affairs was that the remarks were made at a sensitive time when the North Korea-U.S. contacts in New York were ongoing. The article asserts that the president's remarks caused suspicion over the consistency of the government policy on North Korea and may affect North Korea's strategy on contacts with the United States.

The article notes that the concern over the consistency of the president's North Korean policy is also based on the president's contradicting remarks made on two occasions at the Asia Pacific Economic Council on 24 February and during the 26 June interview with the BBC. The article says that in the former, Kim Yong-sam said "the North Korean issue should be resolved in the view of partnership for the prosperity of Asia Pacific," and in the latter, he said "the ROK is fully prepared for the potential of military conflict."

The author of the article explains that some believe that President Kim's frequent change of position is for "domestic use" but it will be difficult for the working-level officials to establish consistent policy if the supreme leader is shaken.

Finally, the article states that as far as the North Korean policy is concerned, the president should have a firm philosophy regardless of the public opinion and have frequent conversations with the senior presidential secretary for foreign and security affairs and reunification-related ministers so that they can properly assist the president.

Agency To Strengthen Counter-Intelligence SK2802063294 Seoul YONHAP in English 0518 GMT 28 Feb 94

[Text] Seoul, Feb. 28 (YONHAP)—The Director of the Agency for National Security Planning [NSP], Kim Tok, said Monday the NSP plans to strengthen counterespionage activities in order to protect national secrets and advanced technological information. Speaking before the National Defense Committee of the National Assembly, Kim said the NSP will also carry out a five-year intelligence-gathering plan to cope with "the era of information."

"We will consistently try to improve our ability to collect and analyze intelligence information while diversifying channels for exchanges of information as soon as possible." Kim told lawmakers.

With regard to the North Korean nuclear issue, Kim said, "there is a long way to go before transparency of their nuclear program is objectively guaranteed."

"The agency will strengthen a 24-hour early warning system against North Korean provocation in view of the adventurous and provocative character inherent in the North Korean regime," Kim said.

At the same time, the agency will boost cooperation in exchanging information with international organizations and friendly nations, Kim said.

Information Ministry Reveals Reorganization Plan SK2602060894 Seoul YONHAP in English 0517 GMT 26 Feb 94

[Text] Seoul, Feb. 26 (YONHAP)—The Ministry of Information on Saturday finalized its reorganization plan featuring the creation of a "New Media Bureau" to promote cable television, satellite broadcasting and multi-media. The ministry announced that under the revamp, a general information office will replace the existing public information policy office to better handle informative programs on state affairs. The general information office will also sample public opinion for speedy reflection in government policies.

Moreover, the existing Press Administration Bureau and Broadcasting Administration Bureau will be merged into one Press and Broadcasting Bureau tasked with supportive administration instead of regulation-oriented programs.

Under the plan, the Advertisement Promotion Bureau will be renamed as the Media Industries Bureau, and the Public Relations Bureau as the Public Opinions Bureau. The reorganization further envisages turning the Korean Overseas Information Service [KOIS] into a sort of national image center. As offices charged with collecting, analyzing and distributing various information at home and abroad, an information material division will be set up under the public opinions bureau for domestic data.

For data from abroad, an overseas information division will be established at the KOIS.

In addition, the national film production center will be reorganized into the national video production center, focusing on production of cable television and video programs instead of solely making motion pictures.

"Under the reorganization, our ministry's administration-oriented programs have been slashed sharply and instead we will have new duties to effectively support the development of new media and to help the nation better cope with market opening," a ministry official said.

FKI Announces Posco To Control Phone Consortium

SK2802030394 Seoul YONHAP in English 0250 GMT 28 Feb 94

[Text] Seoul, Feb. 28 (YONHAP)—Sinsegi Mobile of Pohang Iron and Steel Co. (Posco) will take the main stake in the soon-to-be-launched single consortium for the second mobile telephone network, the Federation of Korean Industries (FKI) announced Monday.

Posco reportedly won because of its technology and capital, while Kolon pressed the argument that the steelmaker is semi-state-run and therefore cannot control the new private cellular phone network.

Second Mobile of the Kolon Group, Posco's sole competitor, will instead have to be satisfied with holding the second biggest share.

FKI was commissioned to form a single consortium for the multibillion-dollar project within this month by the Communications Ministry at the end of last year.

In their first chance to show unity, many business groups gave up the chase for the dominant stake in the consortium to avoid fierce competition.

The Sunkyong Group, whose chairman Choe Chonghyon is also chairman of FKI, took the initiative by announcing his group's surrender of the second mobile phone project, which it won in August 1992 but was forced to give up amid alleged political favoritism.

Its Taehan Telecom instead vied for the main stake in Korea Mobile Telecom, the solid cellular phone monopoly that is to be privatized.

Kim Yong-sam's Approval Rating Declines to 50% SK2502040794 Seoul YONIIAP in English 0230 GMT 25 Feb 94

[Text] Seoul, Feb. 25 (YONHAP)—The majority of South Koreans give a favorable assessment of President Kim Yong-sam's first year in office, but his approval rating has still slumped to around 50 percent from over 80 percent on the 100th day of his presidency last June, according to polls conducted Thursday by major vernacular newspapers to mark Kim's first anniversary.

A plurality say that Kim's top accomplishments were the implementation of the real-name financial system and his reform campaign, while criticizing his failure to stabilize prices and hammer out appropriate agricultural measures in the wake of the Uruguay Round accord. A large number believe Kim's determination to achieve reform has weakened from his early days in office.

Compared with 80.8 percent last June, just 50.1 percent applauded Kim's management of state affairs over the past year with 12.5 percent saying he did very well, according to a telephone poll by the TONG-A ILBO. His greatest achievement was hailed as the real-name system

(70.5 percent), followed by the anti-corruption and discipline campaign (54.9 percent), military reform (54 percent) and improvement of public services (43 percent).

Price stability was widely cited as Kim's top failure (87.6 percent), trailed by agriculture policy (59.5 percent), revitalization of the economy (51.6 percent), environmental protection (38.4 percent) and anti-crime measures (37.5 percent), according to the TONG-A poll. Some 69 percent say they hope to see the Kim administration do better in improving the economy, with 49.1 percent calling for price stability.

In the same vein, 40.4 percent think the economy has worsened, four times the 10.1 percent of last June.

Assessing Kim's determination to carry out reform, 44.7 percent said it has weakened while 49 percent said the president remained equally steadfast.

Kim claimed a better approval rating of 62.3 percent in the poll by the CHUNGANG daily news, but that was still below the 83.6 percent recorded last June. While a plurality voiced satisfaction with Kim's first year, 44 percent answered negatively in assessing the accomplishments of his reform policy, compared with a 42.6percent positive response.

Kim's government failed again at attaining price stability (59.2 percent) in CHUNGANG's telephone poll, while a majority said the attitude of politicans and public servants had improved. But most were disappointed in the economy and inter-Korean relations.

Some 38 percent felt the president did well during his first year in office, while 16 percent said the opposite in a poll of 1,200 men and women across the nation conducted by the KYONGHYANG daily news. However, 46 percent answered that Kim did just so-so. His greatest feat was implementation of the real-name system (51.3 percent) followed by revision of the public servants' ethics law (21.6 percent). Spiraling prices again ranked as Kim's worst failure, followed by the decision

to open the rice market (23.8 percent) and the economy's lack of improvement (12.1 percent).

Meanwhile, 39.7 percent said Kim's reform policy did little to improve their everyday lives while 17.4 percent thought the opposite. A total of 46.8 percent said the economy was no better than last year while 25.8 percent said it has grown worse.

Ministry To Crack Down on Journalism Malpractice

SK2602022094 Seoul YONHAP in English 0706 GMT 25 Feb 94

[Text] Seoul, Feb. 25 (YONHAP)—The government pledged Friday to continue its fight against quasi-journalists until every last one of them is wiped out.

Vice Information Minister Yi Kyong-chae presided over a related committee meeting that agreed to keep a close watch on articles in local newspapers regarding next year's elections for regional governors and mayors, and to take strong administrative action against publishing violations such as advance election campaigning or defamation.

The committee, comprising directors-general of the Home and Labor Ministries, Prosecutor-General's Office, Office of National Tax Administration, National Police Agency and Office of Legislation, decided to act strongly against local dailies and weeklies carrying provocative and lewd articles and photographs.

It will conduct a national survey on quasi-media twice this year and a comprehensive study of weekly newspapers and magazines, as well as closely monitoring insolvent publishing companies and areas with frequent reports on quasi-journalists.

Through third-round surveys last year, the committee cancelled the registrations of two newspapers, stopped eight local papers from publishing and arrested 200 quasi-journalists.

Burma

KIO Spokesman Comments on Cease-Fire Agreement

BK2502160894 London BBC in Burmese to Burma 1345 GMT 25 Feb 94

[From the "Current World Affairs Program"]

[Text] Dear Listeners: A cease-fire agreement was signed yesterday between the Burmese Government and the Kachin repels. KIO [Kachin Independence Organization] spokeswoman Sam Raw expressed the KIO's view on this matter to the BBC by telephone:

[Begin Sam Raw recording] The KIO believes that all armed organizations who advocate the nondisintegration of the union will be able to cease fighting in the same way the KIO has ceased fighting against the SLORC [State Law and Order Restoration Council]. The participation of all these organizations is indispensable if the political problems are to be resolved at the table through discussions. That is why a nationwide cease-fire is necessary, as I have just mentioned—to allow these organizations to participate in the discussions. We also strongly believe that, in resolving the political problems at the table through discussions, the problems can be resolved one by one if all organizations, all political organizations, and all national ethnic groups approach matters with good intentions and genuine goodwill. [end recording]

Bangladesh Delegation Arrives for Border Meeting

BK2702145094 Rangoon Radio Burma in Burmese 1330 GMT 27 Feb 94

[Text] A 10-member Bangladeshi delegation led by Chittagong Divisional Commissioner Mr. Omar Farouq arrived at Sittwe [Akyab] airport by helicopter at 0945 yesterday to attend the 16th high-level Myanmar [Burma]-Bangladesh Border Meeting. The delegation and the Chittagong commissioner then proceeded to the Western Military Command's Bandoola House where they were received and greeted by Major General Win Myint, chairman of the Arakan State Law and Order Restoration Council and commander of the Western Military Command.

In the evening, a dinner was hosted in honor the delegation and gifts were also exchanged at the dinner. At night, the delegation was entertained with a traditional Rakhine dance.

The 16th high-level Myanmar [Burma]-Bangladesh Border Meeting was held at the Western Military Command's Bandoola Hall in Sittwe at 1000 this morning. The meeting was attended by U Maung Aung, director general of the Immigration and Manpower Department, and members; and Mr. Omar Farouq, commissioner of the Chittagong Division, and delegates.

Energy Minister, Delegation Return From Indonesia

BK2502155494 Rangoon Radio Burma in Burmese 1330 GMT 25 Feb 94

[Text] A four-member Myanmar [Burmese] delegation led by Energy Minister U Khin Maung Thein, which visited Indonesia on 15 February at the invitation of the Indonesian mining and energy minister to inspect energy enterprises, returned to Yangon [Rangoon] by air this afternoon.

During his stay in Indonesia, the minister held discussions on matters related to oil and gas with President Suharto; Vice President Try Sutrino; Mr. Ir. [engineering title] Hartarto, coordinating minister for industrial and trade affairs; Mr. I.G. Sujana, minister of mining and energy; and Mr. (Abda'oe), chairman of the Pertamina National Petroleum Corporation. The minister also visited oil and gas exploration areas and observed the production of liquefied petroleum at the refineries.

Brunei, Malaysia & Singapore

Malaysia

Controversy With UK Over Media Remark Reported

Anwar on British Firms' Losses

BK2502143394 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 25 Feb 94

[Text] Malaysia's decision not to award all government-related contracts to British companies could result in the British companies losing 3.5 to 4 billion pounds or an equivalent of 16 billion ringgit for projects over a six-year period. Deputy Prime Minister Datuk Sri Annwar Ibrahim said the companies, which accompanied British Prime Minister John Major's visit to Malaysia in September last year and which had signed several memorandums of understanding (MOU) and intent letters, had yet to sign the actual agreements.

He said one of the companies is (Balfour Beckley), a British company which heads the British-Japanese consortium for the construction of the Kuala Lumpur international airport at Sepang at a cost of about 9 billion ringgit.

With the exclusion of Britain from the consortium, a new bid will be issued soon for the construction of the project. He was addressing a news conference to announce the cabinet's decision stating that the Malaysian Government will not award any new contracts to British companies.

The cabinet made the decision in view of the British media, which hurled unfounded criticisms at Malaysia and its leaders and also at the British leaders. The media reports indicated that most of the major projects involved British companies that embarked on dishonest agreements and the corrupt leaders of the two countries.

All British companies that had signed MOU's or intent letters were duly informed of the new ruling. However, the new ruling does not include services, administrative meetings, and education.

Mr Major's visit was aimed at boosting his country's economic relations with Malaysia. Five MOU's, which were signed with the British companies, could create 25,000 employment opportunities, which are badly needed by the sluggish British economy.

Meanwhile, British Government sources stated in London that a senior diplomat was expected to be sent to Kuala Lumpur soon to try to coax Malaysia into withdrawing its decision, which could make the British firms lose several million pounds. Malaysia's decision could also result in a huge number of workers losing their jobs. Chancellor Kenneth Clark pleaded with and urged Malaysia to understand that the British newspapers are not controlled by the British Government, contrary to the situation in Malaysia. The governments or trade deals had become the victims of what was published in the newspapers. He said trade with Malaysia is important, and economic relations between the two countries are also important to Malaysia.

Mr Clark told the BBC that Malaysia would return to its previous good and warm relationship with Britain.

Action Said 'Economic Arm-Twisting'

BK2602093094 Kuala Lumpur BERNAMA in English 0513 GMT 26 Feb 94

[Text] Kuala Lumpur, Feb 26 (OANA-BERNAMA)— Malaysian Prime Minister Dr. Mahathir Mohamed said Friday night Malaysia's decision to exclude British companies from government contracts was a form of economic arm-twisting which we learnt from Western countries.

He said if the West could threaten to withdraw the Generalised System of Preferences (GSP) purportedly because Malaysia did not respect human rights and the environment, Malaysia also could do likewise. He said it was unfortunate that the government's action would also affect several genuine British companies but then we cannot take action against them one by one, but he believed that there were companies which had hurled slander at Malaysian leaders, particularly against him.

Dr. Mahathir said this to reporters when commenting on the government's decision not to award contracts to British companies as announced by Deputy Prime Minister Anwar Ibrahim earlier in the day.

If we give contracts to British companies, we'll be accused of all kinds of things, he said, adding that the government would not seek an apology or lodge a protest over the attitude of the British media which he felt had played a major role in slandering the Government of Malaysia.

He said the government's decision would not affect relations between Kuala Lumpur and London as the government did not have problems with the British government.

We are only responding to the action of the British media. Apparently their media still has the colonial thinking and believes that non-whites can be easily bribed and can be bribed at anytime, even for a sum of US\$50,000, Dr. Mahathir said.

Asked until when the Malaysian Government would adopt this stand, he said we'll continue with this until the British media changes its attitude.

He said only contracts which had not been signed or were in the process of being signed would be affected by the government's decision while those which had already been signed would be honoured.

Probably, in view of this decision the Kuala Lumpur International Airport project will be affected a little but, never mind. Others can carry it out, he said. An Anglo-Japanese consortium is involved in the airport project.

Dr. Mahathir said the British High Commissioner met him this evening to persuade the government to review its decision but he felt that Duncan Slater's move came too late as the decision had already been made and announced.

He said Slater regretted the latest development.

Asked whether Malaysia was prepared for retaliatory action from the British Media, Dr. Mahathir said we'll wait and see further developments.

Dr. Mahathir said he felt that the government's action was a lesson to the free press of the West which, in the end, could be abused to the detriment of the nation.

He said the Malaysian Government supported press freedom but such freedom should go along with responsibility. He said that in Malaysia the press was very responsible.

The prime minister said that initially the government tolerated the attitude of the British media even in their attempt to topple the government of Prime Minister John Major but when it tried to involve Malaysia's interests, effective action had to be taken.

Initially we were patient, they tried to involve us with Pergau [Dam project], MOU [Memoradum of Understanding], BMF [Bumiputra Malaysia Finance] and others, more so with allegations of corruption to the extent we cannot accept it anymore, he said.

Dr. Mahathir said he felt that among the media involved in hurling such slander was that owned by Rupert Murdoch.

He said he wanted the British media to report only the truth and not twist their reports with nonsense.

This (reporting the truth) they cannot do because they do not understand what is meant by the truth, he said.

Firms Must End UK Partnerships

BK2602093894 Kuala Lumpur BERNAMA in English 0540 GMT 26 Feb 94

[Text] Kuala Lumpur, Feb.26 (OANA-BERNAMA)— Malaysian companies which have teamed up with British contractors to undertake government privatised projects would have to cease their partnerships following the government's decision to stop awarding new contracts to British companies.

Stating this here Saturday, Deputy Prime Minister Anwar Ibrahim said Malaysian companies would now have to renegotiate with new contracting partners if they wanted to bid for such projects in future.

The government's move would not, however, affect existing two-way trade and investments between both countries, he told a press conference after chairing the National Finance Council meeting here.

The decision follows the government's concern over adverse reports in certain British newspapers which suggested that some Malaysian leaders were corrupt.

Minister: No New Projects for UK

BK2602094294 Kuala Lumpur BERNAMA in English 0725 GMT 26 Feb 94

[Text] Ipoh, Malaysia Feb. 26 (OANA/BERNAMA)— Malaysia's Transport Minister Dr Ling Liong Sik said Saturday British media reports of allegations that Malaysian leaders were corrupt must be addressed first above the question of whether the new Kuala Lumpur international airport in Sepang would be completed in time.

He said: The question of the RM8 billion [Malaysian currency] (RM2.7; U.S.\$1) airport is irrelevant. Whether it will be ready in time is not the issue because the reports were very damaging to the nation and its leaders.

It is a very serious issue, especially when it involved leaders, including the prime minister Dr Mahathir Mohamed.

Dr Ling commenting on the cabinet decision Friday to stop giving new contracts to British companies, particularly those involving government aid or assistance.

Deputy Prime Minister Anwar Ibrahim, who announced the decision, said that all agreements with British companies that had been signed would be honoured.

Dr Ling said it was very disappointing that the media in Britain acted in such an irresponsible manner towards the leaders of a friendly trading nation with which it had historical ties. He said the government was right in imposing the sanction against British companies, especially when the reports were disgusting and untrue.

Asked about the future of the Anglo-Japanese airport consortium (AJAC) involved in the construction of the airport, he said: The A (Anglo) might be out while the J (Japanese) will remain.

The modern airport, equipped with the latest facilities, was scheduled for completion in 1997.

Dr Ling also noted that as far as his ministry was concerned British companies would not be offered projects.

Ministers Minimize Cost of Policy

BK2802053294 Kuala Lumpur BERNAMA in English 0330 GMT 28 Feb 94

[Text] Kuala Lumpur, Feb 28 (OANA-BERNAMA)— Malaysia's decision not to award new government contracts to British companies continues to receive attention with several leaders saying that it will not affect the country's economy.

They felt that the current robust economy would enable Malaysia to continue to enjoy growth in investments from other countries.

They were also confident that the country's economy would remain strong even if Britain decides that Malaysia no longer qualifies for overseas aid schemes like the Pergau dam project.

Transport Minister Ling Liong Sik said Britain could do as it pleased, saying that the decision will not affect our economy.

Deputy Prime Minister and Finance Minister Anwar Ibrahim announced Friday the cabinet's decision not to award new contracts to "ritish companies following British newspapers' allegation that certain Malaysian leaders were corrupt.

Energy, Telecommunications, and Post Minister S. Samy Vellu said the British companies stood to lose projects worth 1.5 billion ringgit (about U.S.\$555 million) from his ministry.

On Saturday, all the state governments expressed their support for the cabinet decision at a meeting of the national financial council chaired by Anwar.

At the meeting, all the state governments agreed to implement the decision.

British companies are expected to lose billions of ringgit in projects, including the 9-billion-ringgit (about U.S. \$3.33 billion) international airport construction project in Sepang, following the cabinet directive.

Action Said Not Trade Barrier

BK2802085694 Kuala Lumpur Voice of Malaysia in English 0800 28 Feb

[Text] The Malaysian Government's action to bar British firms from government-funded projects is not a trade barrier or sanction. International Trade and Industry Minister Datuk Sri Rafidah Aziz said Malaysia had not imposed any trade barrier or sanction as had been misconstrued by the British press. She told reporters after attending her ministry's annual dialogue with trade and industry bodies in Kuala Lumpur that Malaysia's action mainly centered on not entertaining tenders from British companies for government tenders and this is its right. The action does not directly affect the normal run of business between private sectors of Britain and Malaysia.

As for transactions between the British and Malaysia's private sectors, this is proceeding well in the open market. She said Malaysia's action only pertained to British companies which intended to do business with the Malaysian Government.

Officials on Trade Ban With UK

BK2802142694 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 28 Feb 94

[Text] The ban on British companies in the awarding of government contracts is not expected to have any repercussion on trade between both countries. Primary Industries Minister Datuk Sri Dr Lim Keng Yaik said this to newsmen after opening the 17th council meeting of the Malaysian Timber Organization, MTO, in Kuala Lumpur. He pointed out that the move stemming from the irresponsible action of the British media is necessary, as Malaysia cannot go and fight head on with the British media. The British press have been making various insinuations against Malaysia's leadership, particularly the prime minister, Datuk Sri Dr Mahathir Mohamed. Such remarks could only come from people who are biased against Malaysia. Datuk Sri Dr Lim added that the West is [word indistinct] skeptical at the success of the East.

Ban Said To Protect 'Integrity'

BK2802142994 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 28 Feb 94

(Text) The government's decision not to award contracts to British firms should be viewed as a move to protect the country's integrity and not in terms of the financial loss or gain that will arise from it. Deputy Home Minister Datuk Megat Junid Megat Ayob said the government will never compromise when it comes to defending the integrity of the country. The government's move has been prompted by the lies spread by the British media.

Datuk Megat Junid was speaking to newsmen after meeting trainees of the dadah [drugs] aftercare center in Kampung Gajah, Perak.

Bilateral Trade Relations With Britain Reviewed

BK2802151894 Kuala Lumpur NEW STRAITS TIMES in English 26 Feb 94 p 2

[Text] Kuala Lumpur, Fri [25 February]—Bilateral trade between Malaysia and Britain has been on the uptrend since 1988 with the balance of trade in the latter's favour all the while.

In the first nine months of last year, two-way trade amounted to RM [Malaysian ringgit] 6.5 billion. Although statistics for the whole of 1993 are still not available, last year's total trade between the two nations may well surpass the previous year's figures.

In 1992, Malaysia's imports from Britain totalled RM4.14 billion. Its exports were RM2.55 billion.

Malaysia buys electrical equipment, power generators and heavy industrial machinery from Britain. Malaysia on the other hand, sells primary commodities, machinery, telecommunication equipment, garments and apparel, accessories and sawn timber to Britain.

Statistics show that bilateral trade between Britain and Malaysia has been particularly strong in the past four to five years reaching its peak in 1991 with total trade surpassing RM4.4 million.

During the same period, British investments in Malaysia have also increased significantly to almost RM900 million in 1990 compared to RM750 million in 1989.

Following stiff competition from other foreign investors, particularly Japanese, Taiwanese as well as American, British investors have taken a back seat—resulting in a downtrend in investments since 1991.

British investments in Malaysia dropped to below RM300 million in 1992. Nevertheless, Britain remained the largest European investor in Malaysia.

The current trade figures between the two countries are indeed a far cry from the days when Malaysia launched the "Buy British Last" policy in October 1981.

Although officials maintained that trade to and from Britain was not really affected during the period, there was only marginal increase in total trade.

For instance, bilateral trade was barely above RM2 billion in 1981, 1982 and 1983.

This was because the private sector continued to purchase British goods as they were priced competitively amidst the depreciating pound sterling.

The "Buy British Last" policy was introduced following accumulative "irritants" that the country faced in its relations with Britain and British companies.

The breaking point was when the British Government announced a substantial increase in student fees which severely affected more than 15,000 Malaysian students in Britain.

Other factors which had triggered the policy included the failure of British companies to comply with the requirement of the National Economic Policy and the landing rights for Malaysia Airlines (MAS).

The policy called for all British contracts to be vetted thoroughly by the Prime Minister's Department together with the second choice non-British bidder.

Realising that the policy had caused British companies countless lucrative government contracts, the then British premier Margaret Thatcher personally intervened to patch things up.

Army To Replace Peacekeeping Troops in Bosnia BK2502132994 Kuala Lumpur NEW STRAITS TIMES in English 24 Feb 94 p 2

[Excerpt] Kuala Lumpur, Wed. [23 February]—The army is planning to replace the present 1,500 Malaysian Battalion (Malbatt) troops serving under the United Nations Protection Force (UNPROFOR) in Bosnia-Herzegovina.

Defence Minister Datuk Sri Najib Tun Razak said the army had yet to identify which unit would take over the peacekeeping duties from the Third Royal Armoured Regiment, which was sent there in batches from last September 21.

He said the troops needed to be relieved after undergoing a lot of tension and stress for long periods at designated battle-zones.

Under the present arrangement with UNPROFOR, the troops are expected to serve for between a year and 18 months. But their stay could be prolonged depending on the situation in Bosnia-Herzegovina.

He was speaking to reporters after meeting Canadian Minister for Industry, Commerce, Science, and Technology Gerald Tremblay at his office today.

Najib said two consignments of Hari Raya [end of Ramadan] gift parcels, army vehicles, and equipment would be sent to Malaysian troops in Bosnia-Herzegovina and Somalia.

One consignment would be flown to the Malbatt troops in Bosnia-Herzegovina on Sunday while the other consignment of army logistics would be shipped to Mogadishu tomorrow.

"Due to the lack of air flights between the countries, many of our soldiers in Somalia go to neighbouring countries for their holidays. The two most common places they frequent are Mombasa and Nairobi."

Najib also said the cabinet decided today to contribute U.S. \$100,000 in clothes and medication for victims of last Wednesday's earthquake in Sumatra, Indonesia. The earthquake killed more than 200 people and injured 1,000. [passage omitted]

Mahathir: Pakistani Peacekeeping Appreciated BK2602145294 Islamabad PTV Television Network in English 1400 GMT 26 Feb 94

[Text] Pakistan has committed another 3,000 troops for the UN Protection Force in Bosnia-Herzegovina. This was stated by the defense minister, Mr. Aftab Shaban Mirani, during a meeting with the Malaysian prime minister, Dr. Mahathir Mohamed, in Kuala Lumpur today. The Malaysian prime minister expressed his government's deep appreciation for Pakistan's role in peacekeeping in Bosnia and Somalia. He also said Malaysia would be seeking services of more Pakistani professionals and educationists in the futurre.

Singapore

Foreign Ministry Condemns West Bank Massacre BK2602122094 Singapore Singapore Broadcasting Corporation in English 1100 GMT 26 Feb 94

[Excerpts] The Palestine Liberation Organization is recalling all its negotiators with Israel and Egypt, Paris, and Washington. The PLO leadership decided on this during a meeting in Tunis. The move follows the Hebron mass massacre by a Jewish settler, who killed over 50 people. [passage omitted]

Singapore has condemned the massacre. The Foreign Ministry called on Israel to immediately impose security measures to protect the population of West Bank from such criminal act by extremists. Singapore also adds that Israel and the PLO should not allow the act of violence to derail the Middle East peace process. Less fights would speed up progress at the peace talks. The spokesman said this is the best way to prevent more killings and the acts of revenge, which would only further inflame emotion and delay and complicate the peace negotiations.

Cambodia

General Views Khmer Rouge Anlung Veng Attacks

BK2802143094 Hong Kong AFP in English 1350 GMT 28 Feb 94

[Text] PHNOM PENH, Feb 28 (AFP)—Khmer Rouge guerrillas launched heavy counter-attacks against government troops at a major rebel base in northwest Cambodia which was captured early this month, government and military officials said Monday. "Since the February 19 the Khmer Rouge launched attacks against Anlong Veng, especially using artillery," Cambodian army General Chum Chheang said. "But our forces are still resisting the Khmer Rouge attacks."

Heavy guerrilla shelling, however, forced government troops to make "tactical retreats" from certain parts of the base which stretches for several kilometers, he said. The guerrillas were also splitting up into small groups and attacking government troops "from everywhere", he said. The general, however, denied reports that the Khmer Rouge had re-captured all of Anlung Veng. "It's not true. Our troops are still in Anlung Veng, we just move tactically around the area," he said.

A government minister, speaking on condition of anonymity, acknowledged there was a major guerrillla assault against the base. "The situation is still confusing," he said. "But we are building up new fighting forces to kick the Khmer Rouge away completely from the area."

Anlung Veng, which fell to the government February 5, was the Khmer Rouge's headquarters for all guerrilla operations in north and central Cambodia. The guerrillas retreated rather than face the 3,000-strong government force in a conventional battle. But, operating in small units from the hills and jungle around the base, the guerrillas have continued to stage hit-and-run attacks on the government forces.

Western military analysts said the government may be over-stretching its resources trying to maintain and supply large numbers of men in the remote and inhospitable area, and they warned that the conquerors could become targets for fast-moving teams of guerrillas. A high-ranking defence official, however, said the army was aware of the threat. "Anlung Veng may be a trap, so we have to prepare for everything," he said.

Radio Claims Regime Routed at Anlung Veng

BK2602145694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 25 Feb 94

["Preliminary Roundup of Victory at Anlung Veng Battlefield"]

[Text] The National Army of Democratic Kampuchea and local people smashed and totally routed the attacking forces of the two-headed government and Vietnamese communist puppets on the battlefields around Anlung Veng at 1330 on 24 February. The preliminary results received on the afternoon of 24 February are as follows:

- 1. We seized a BM-13, a BM-14, and a BM-21 multiple rocket launchers; three 85-mm, a DK-30, and a 122-mm cannons; three DK-82 and three DK-75 guns; three 120-mm and 13 60-mm mortars; 12 B-40, six 12.7-mm, 129 AK, and 12 M-15 guns.
- 2. We seized 12 60-mm mortar shells, two crates of AK ammunition, five crates of 12.7-mm ammunition, eight DK-75 shells, and three B-40 rockets. This a small amount of large- and small-sized ammunition because the enemy ran out of ammunition.
- 3. We seized six trucks, set ablaze three T-54 tanks, killed 49 attacking troops in the fight; captured 74 others who were too weak to flee because they suffered from a

shortage of food for the past three days after their communication lines were cut off; and discovered 19 corpses scattered along a 12-KM stretch of road from Anlung Veng.

- 4. The attacking forces were cut off from their supplies for several days. They suffered shortages of ammunition, rice, and fuel.
- 5. We killed and captured 26 officers of the ranks of general and colonel.

Khieu Samphan Hails Anlung Veng Victory

BK2602143694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 25 Feb 94

[Interview with Khieu Samphan, head of the Party of Democratic Kampuchea by unidentified station correspondent; dated 25 February—recorded]

Mr. Chairman. We, representatives of the Voice of the Great National Union Front of Cambodia [VGNUFC], are very happy that you have granted us this interview. As you know, the Anlung Veng Front's Command and the Democratic Kampuchean National Army [NADK]'s High Command have already informed our compatriots that on 24 February 1994, our NADK completely smashed the fourth large-scale military operation of the Vietnamese communist puppets and the two-headed government on Anlung Veng battlefield. Our entire compatriots are very pleased with this news. We would like your excellency to tell us about the future developments of the situation.

[Khieu Sampiran] I would like to thank you, VGNUFC correspondents. Actually, this large-scale military operation to destroy Anlung Veng has been the military campaign of the Hanoi Vietnamese communists, the Vietnamese communist puppets, the two-headed government, and the evil alliance to destroy and compel Democratic Kampuchea [DK] to accept their three points and thereby to destroy the five-point uideline of His Majesty the King, to oppose the king himself, to destroy the hope for national reconciliation, and to eliminate our Cambodian nation and people. They have already launched four large-scale military operations. The crushing of those four large-scale military operations, particularly the fourth on 24 February, is a very big defeat suffered by the Vietnamese communists, the Vietnamese communist puppets, the two-headed government, and the alliance. It is a victory of our entire people and of the forces supporting the king's five-point national reconciliation plan, and of peace-loving countries in the world.

What will the future situation be? Will the Hanoi Vietnamese communists, the elements that they have installed, the two-headed government, and their alliance stubbornly carry on the Vietnamese war of aggression, continue to oppose the king and his five-point guideline for national reconciliation, and do their utmost to eliminate the Cambodian nation and people?

I am firmly convinced that if they continue to do so, they will certainly suffer even more serious defeats. This is because, it is very clear that the two-headed government's forces have suffered heavy casualties in the defeat at Anlung Veng. Presently, the two-headed government's troops routed at Anlung Veng, [words indistinct]. We do not know how many of them [words indistinct] in the jungle and died because of the lack of food and water, particularly at this time of the year when water sources become scarce. Most importantly, those who continue the Hanoi Vietnamese communists' war of aggression and who oppose national reconciliation will certainly be opposed and condemned even more strongly by the Cambodian nation and people.

At a time when the Vietnamese communists have amassed tens of thousands of square kilometers of Cambodia's territory from the Dragon's tail [area in Mondolkiri Province] down to Kampot Province, as well as her seas and continental shelf, at a time when they continue to send more Vietnamese settlers into Cambodia with numbers already reaching four million [words indistinct] a second Kampuchea Kraom [former Cambodian territory now in Vietnam], at a time when our people have to undergo hardship and suffering [passage indistinct], the two-headed government has done nothing to resolve these grave problems. It has instead tried hard to continue fueling the Vietnamese war of aggression to eliminate our nation and people (?and) DK resistance forces.

Can the Cambodian nation and people accept such a situation? Make no mistake about it. Our nation and people are not ignorant. They are fully aware of who is responsible for their current misery and suffering. No one can deceive them as they have seen with their own eyes and are the victims of such a hardship and suffering.

- 1. They can see clearly that the continued misery and suffering of our nation and people come from the fact that the aggressor Hanoi Vietnamese communists have continued their aggression and occupation of our country through the state power that they have installed since 1979. The aggressor Hanoi Vietnamese communits are behind this state power and have continued to control and guide this state power, carrying on their war of aggression through this state power, sending more Vietnamese nationals to Cambodia in line with their strategy to annex Cambodia through a demographic war, and so forth.
- 2. They also know that it is because some foreign powers together with the Vietnamese communists have attempted to eliminate the Cambodian people and oppose the national reconciliation and the king.
- 3. They know that it is because this two-headed government which is only the by-product of the aggressor Hanoi

Vietnamese communists and their evil alliance and (?stays in the iron cage) of the Vietnamese communist puppets.

These are indeed the causes of the misery and suffering of our nation and people who can no longer tolerate them.

Look at the countryside, what is the situation there? The most outstanding development is that our people have risen up and mutinied against the Vietnamese puppets' village and commune administration to liberate their villages and communes. They have mutinied not just to seize back their farmlands, cattle, rice, and food, but also to oppose the war to eliminate the Cambodian nation and people.

In Phnom Penh and other provincial towns, students and teachers have staged demonstrations. The people whose land and houses were appropriated have also staged demonstrations. Those puppet troops and Para [Khmer People's National Liberation Frong] and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] soldiers have also mutinied against the war to eliminate their own nation and people. They have turned their guns against the evil ringleaders and deserted their ranks, even hundreds at a time. Some who can no longer make a living have turned to roo traders and customers in markets. Some homeless soldiers have tried to settle anywhere they can. There have also been bloody repressions and so forth.

What does all these mean? Is this not a signal that our nation and people are no longer able to endure?

What are the causes of the defeat suffered at Anlung Veng by the Vietnamese communist puppets, the two-headed government, the Vietnamese communists, and their evil alliance? Are they [words indistinct]?

I think that it is necessary to give this matter very careful consideration. I do believe that after careful consideration, we can see that it is because the DK enjoys the participation of the entire nation and people in the struggle as it has always stayed with them. To fight against the DK is tantamount to fighting against the entire nation and people; therefore, the latter has to join in the struggle both in the countryside and in the cities. In such a situation, it is certainly not tanks or artillery that is decisive.

[Correspondent] We would like to thank your excellency Mr. chairman for this clear explanation to our compatriots. With such a situation, what do you think about its solution?

[Khieu Samphan] The DK party's stand is well-known to everyone, that is, national reconciliation in line with the king's five-point policy. On this matter, I would like to speak on the following two issues.

First: As far as the foreign powers who have interfered in Cambodia's internal affairs and opposed national reconciliation and the king's five-point policy guideline are concerned, is it not about time for them to reconsider their position? Is it not better to reach a solution that will enable Cambodia to regain peace and national reconciliation in line with the king's five-point political guideline, thus enabling Cambodia as well as the whole of Southeast Asia to live in peace and their relations to prosper on the basis of peace and mutual benefit?

Second: Concerning Prince Krompreah Norodom Ranariddh and the other FUNCINPEC leaders, I would like to sincerely propose that you reconsider your current stand.

Have your highness and the other FUNCINPEC leaders been aware of what our nation and people have thought about your activities in the recent past? People from all walks of life have expressed their deep regret and have been wondering why FUNCINPEC leaders have fallen into the bad policy of the foreigners, have become friends with the henchmen of the Vietnamese, have embraced the Hanoi Vietnamese communists, and have waged war against their own Cambodian nation and people. How have the FUNCINPEC leaders been misled by those with Vietnamese minds and the Vietnamese communists themselves into massacring their own fellow ANKI [National Army of Independent Cambodia] and FUNCINPEC forces? They regret this so deeply.

If you are now aware of the fact, will you continue to listen to the foreigners or will you instead turn to listen to the king's advice and heed the call of our nation and people?

I do believe that it is not too late yet. Our nation and people are waiting for you and will not fail to support you. Our nation and people want only peace and national reconciliation.

His Majesty the King has issued the five-point policy guideline because he is aware of the grave and explosive situation in our country at present both in terms of national and social issues. His five points come from his very careful consideration. As he himself has been very close to our nation and people, he understands the wishes of our nation and people better than anyone.

Our entire Cambodian nation and people support the five-point political guideline of His Majesty the King. They want to see all national forces reconciled and united both within the army and in the government. They want to see all national forces joined in one national army, that is within the framework of the Khmer Royal Armed Forces. They want to see a genuine national government so that there would be enough national forces to tackle national and social issues, small and big alike.

The DK party fully supports His Majesty the King's five-point political guideline. I would like to stress here again that the DK party does not want to eliminate any

force or any personality. But, the DK party will never allow anyone to eliminate it.

The current situation clearly indicates that our nation and people will not allow anyone to eliminate Democratic Kampuchea or to continue to oppose national reconciliation.

In brief, I would like to say that the only way out is national reconciliation in accordance with the king's five-point political guideline.

[Correspondent] We would like to thank your excellency for your explanation to our compatriots. We wish you happiness and successes in your noble patriotic mission. Thank you.

Indonesia

Condemnation of Hebron Massacre Reported

Foreign Ministry Statement

BK2602133394 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 26 Feb 94

[Text] A statement issued by the Foreign Affairs Department in Jakarta today says that Indonesia strongly condemns the brutal killing of Palestinians by an Israeli in Hebron. Indonesia reiterates that the incident—which killed over 52 Palestinians and injured over 200 others—will have a negative impact on the overall peace process in the Middle East.

The statement says the Indonesian Government and people offer their deep condolences to the Palestinian government and people over the incident, which took place at Ibrahim Mosque in al-Khalil, Hebron on Friday. Indonesia also sends its condolences to the families of the 10 others who were killed in clashes with Israeli soldiers.

In line with Palestinian Liberation Organization leader 'Arafat's request for assistance from the Nonaligned Movement [NAM], Indonesia—as chairman of the NAM—will immediately consider the necessary moves to call an emergency meeting of the UN Security Council. This will show our support for the Palestinians.

House Calls for Condemnation

BK2602110294 Jakarta ANTARA in English 0716 GMT 26 Feb 94

(Text] Jakarta, Feb 26 (OANA-ANTARA)—The House of Representatives (DPR) on Saturday appealed to the world community to condemn the massacre of Palestinian worshipers at a Ibrahimi mosque in Al Khalil (Hebron) by a Jewish settler on Friday. "That's uncivilized and brutal act. It not only violates but also shrugs off human rights," said Theo Sambuaga, who is the deputy chairman of the House Commission I overseeing foreign affairs, information and defence and security.

Witnesses said a Jewish settler firing an automatic riffle killed at least 48 Palestinians and wounded dozens at prayer in Ibrahimi mosque on Friday. But the PLO claimed the death toll reached 103 and 270 people were wounded.

Sambuaga said all communities elsewhere in the world, including the United States, should condemn the masacre which was the biggest single killing of Palestinians since Israel captured the West Bank and Gaza strip in 1967. "The world community should thoroughly investigate Israel and should openly announce the result of the investigation to the world community," Sambuaga said. The mass killing of innocent Palestinians became cause for deep concern and apparently gave a blow to the peace accord reached by the two conflicting countries, he said. In fact, the peace accord had been the hope of the international community, he said.

Meanwhile, Agus Tagor, another member of the House's Commission I, is of the opinion that such tragic events have been occurring in the conflict involving the two countries so far. "However, we are hopeful for the peace process because the key for the solution is peace," he said. "We condemn the massacre. However, all sides must control themselves, moreover during the fasting month of Ramadan," he added.

Theo Sambuaga said he did not understand what Israel actually wants because every time there is a peace initiative, criminal acts which are contradictive to peace, always prevail. "Israel should be honest in dealing with the problem," He stated, adding that all countries including the United States should pressure Israel to open the case fairly. He is of the view that it is naive if the Israeli Government said that those should be responsible are individuals.

A spokesman of the PLO in Tunis said that the massacre was led by an Israeli army captain.

Legislator: Drop Israeli Invitations

BK2802112294 Jakarta ANTARA in English 0756 GMT 28 Feb 94

[Text] Jakarta, Feb 28 (ANTARA)—A legislator here on Monday called for rejection of any official invitations from Israel, saying the Jewish state intends to show only good things but hide the real situation. "Various official invitations from the Israeli Government should be reviewed or rejected because the aim of the visit is just to show good things," Aisyah Aminy, the House's Foreign Affairs Commission chairperson, said in response to the massacre of at least 43 Palestinians at a prayer at Ibrahim ar-Rahman mosque in Al Khalil (Hebron).

After the signing of the Israeli-PLO peace accord in Washington DC. in September last year, Israel has been active in launching approaches to a number of states, including Indonesia, to persuade them to open diplomatic ties with Israel. The Jewish state has invited certain professional circles including journalists, to visit

Israel. A number of Indonesian journalists visited Israel recently at the invitation of Israel. Aminy said that Israeli invitations was an effort to break isolation of the Jewish state with the rest of the world communities.

She said that an invitation for journalists by Israel in the future has to be considered seriously before accepting it. The legislator said that recent massacre in Al Khalil is a result of the Israeli action which—in violation of the United Nations resolutions 471 and 476—bans its citizens overseas to return to their countries of origin but to the occupied territories.

Baruch Goldstein who did the massacre is a Jewish immigrant who belongs to an anti-Arab organization. Among Jews resettling in the Palestinian land are anti-Arab extremists, including Goldstein who poured bullets on Palestinian at prayers last Friday.

"Indonesia must condemn the brutal act, and I believe the incident in the Ibrahim ar-Rahman Mosque will hamper the Middle East peace process," she said.

The shooting at the mosque was possible due to the fact that the Israeli Government allows its citizens to possess fire arms of various calibres. "Israeli civilians must be disarmed to prevent similar incident," The member of parliament said.

Suharto Rejects UN Control of Sarajevo

BK2602140594 Jakarta ANTARA in English 1329 GMT 26 Feb 94

[Text] Jakarta, Feb 26 (ANTARA)—President Suharto in his capacity as chairman of Nonaligned Movement (NAM) has strongly rejected suggestions that would put Bosnia-Herzegovina's capital, Sarajevo under the UN administrative control.

"Such control would disregard the rights of the Bosnia-Herzegovina Republic to establish its sovereignty over its own capital," Minister/State Secretary Murdiono quoted President Suharto as saying here over the weekend.

When briefing UN Security Council Chairman Roble Olhay on the NAM chairman's attitude on Friday (25/2), the NAM chairman expressed deep concern over massacres, military aggressions and the ethnic cleansing program launched by Bosnian Serbs against the non-Serbian Bosnian people. He told the UN Security Council chairman that the continuation of the Serbs' military aggressions against the Bosnian people is a reflection of the world community's failure to implement every UN Security Council resolutions in the region.

The chairman also underlined that the UN Security Council should have been acting as the protector of the Bosnian territory and sovereignty. "The failure has even been worsening by the arms embargo resolution imposed on the Republic of Bosnia-Herzegovina. It meant that the Bosnians had been denied their very basic rights, that is, to self-defense," said Suharto.

The NAM chairman said that the international community should stay alert, even if the Serbs had withdrawn its artillery from Sarajevo following NATO's threat to launch air strikes. "We should stay alert till the Serbs fully withdraw from the besieged area," said the NAM chairman.

Suharto also urged the UN Security Council to hold a meeting on the latest development in Bosnia-Herzegovina and to take some concrete and effective steps to implement all relevant resolution on the region. In a letter to the UN Security Council chairman, President Suharto also touched on the need to convene an international conference on Bosnia-Herzegovina. The conference should have a streamlined structure to achieve a just and comprehensive solution to the issue. President Suharto and Bosnian President Alija Izetbegovic last month in Jakarta discussed the idea of convening such an international conference.

Minister Murdiono said that after meeting with the UN Security Council chairman, President Suharto has asked the head of NAM Chairman Executive Board Nana Sutresna to order the chairman of NAM Coordinating Bureau at the UN to discuss the Bosnian issue with the NAM caucus at the UN Security Council.

Murdiono said that NAM would always be ready to take part in such an international conference or in a new round of talks on Bosnia-Herzegovina.

* Possibility of NU Rejoining PPP Viewed 94SE0064A Jakarta MERDEKA in Indonesian 13 Jan 94 p 6

[Excerpt] After Harmoko was elected to the general chairmanship of the DPP [Executive Committee] of GOLKAR [Functional Group] at its Fifth National Congress and Megawati Soekarnoputri became the general chairman of the DPP of the PDI [Indonesian Democratic Party] last December, attention has now shifted to who will lead the PPP [United Development Party]. Will the PPP put forward someone new? Who will replace Buya Ismail and will he be capable of matching the agility shown by Harmoko and Megawati?

Although it is not yet clear what political tricks Harmoko and Megawati will put into action, we can make some quick guesses. Harmoko will probably raise the issue of poverty, which the Sixth Development Cabinet has made a priority. There is some evidence that this problem hurt GOLKAR in the eyes of the people in the last general election because the PDI took over the notion of the "little people," which is identical to poverty. On the other hand, Megawati might stir up the problem of democratization and human rights and also indirectly resurrect the romantic notion of her deceased father's greatness and advance the fervor of the "little people," something already brought up by Soerjadi.

Although the 1997 general elections are still four years away, they feel closer because conjecture is that the

"festival of democracy" at the end of this century will be very intense. All that's left is the PPP. Will it grasp the best opportunities in this arena of struggle or will it allow the party to become smaller, trapped as it is between GOLKAR and the PDI?

It is clear that the appearance of Megawati on the scene is an indication that the current of political democratization is growing stronger and that the undercurrent can no longer be dictated to according to the will of the superstructure. The undercurrent is showing that it is winning and this, we can be certain, will burst out everywhere. We can be sure that the congresses to be held by the NU [Moslem Scholars Association] and by the PPP in 1994, for example, will be important political events. Various political observers have recently pointed out that 1994 will be a difficult year politically; this cannot be separated from those two events. At the same time, conjecture is that demonstrations on human rights, democratization, or cases of that kind will also continue to flare up.

Conjecture is that the NU congress will be very lively because up to now there have not been any candidates for the position held by Gus Dur (Abdurahman Wahideditor) who can equal the quality of his leadership. Although Gus Dur stated some time ago that he was not willing to be a candidate for the general chairmanship of the PB [Executive Committee] of the NU, the majority of NU's rank and file, especially the younger generation, still hopes that he will be prepared to lead them again. Things will be very lively if Gus Dur is willing to be put up again as a candidate on grounds that he is receiving strong support from the undercurrent, even if the superstructure seems less than willing to accept him. So it is thought that there will be a political clash. The problem is: Whether that clash will be as strong as the one in the PDI or not depends on how the government views it, especially as far as the interests of GOLKAR's political hegemony are concerned.

At the same time, projections are that the PPP congress will be even more intense because the strong current of democratization which is running through it will force the NU to reclaim its position in the PPP after having been dominated for such a long time by the MI [Indonesian Muslims]. It is quite possible that these two factions, which have been jockeying for position in the PPP for such a long time, are now setting up strategies for the upcoming congress. The NU is busy trying to figure out how to reclaim its dominance and the MI will make every effort to defend its position. Conjecture is that the clash will be intense and the slogan "fusion is now complete," promoted up to now by members of the PPP, will be tested again. The NU will claim its position as the PPP's largest shareholder. Political gamesmanship is a matter of the battle for and the distribution of power. Having learned from the Megawati case, the NU will probably not want to accept a candidate for its leadership who is just handed to it by the bureaucracy, i.e., by the MI faction, as has been done up to now. But this all depends on the level of NU's political independence

within the PPP. Has it gotten to the point where it can think strategically in that way or can it still be easily manipulated, as it has in the past?

NU's desire to reclaim its position in the PPP is part of the nervousness felt by NU members at seeing the development of GOLKAR and of the PDI under the respective leadership of Harmoko and of Megawati. Only if the NU wholly returns to the PPP will the party be able to rise again, as when it was triumphant in the 1977 and 1982 general elections.

As is well known, the PPP has gone downhill since the 1987 general elections, after the NU adopted the firm policy of no longer supporting the PPP. In fact, in the 1987 general elections NU figures stood shoulder to shoulder with each other to deflate the PPP's figures. This just shows that without the NU the PPP is actually just a toothless tiger, there is nothing in it.

The NU adopted a firm policy of no longer supporting the PPP because of the political actions of Naro, who is from the MI faction, towards NU figures within the PPP. It seems easy to ignore the fact that Naro was a government man who was infiltrated into the PPP to deflate that party's figures so as to guarantee GOLKAR's continued political hegemony as the "single majority party". It is quite clear that Naro's political maneuvers were intended to push the NU somewhat out of the PPP and over into GOLKAR. This is quite natural because GOLKAR needs strong roots and GOLKAR knows that no group has stronger underground roots than the NU. Isn't GOLKAR just a "banyan tree"—and note that this is NU's symbol—which, no matter how big it is, cannot be sturdy without fertile "soil"?

Before it merged with the PPP, the general elections of 1955 and of 1971 proved that the NU was strong. In the 1955 general election, for example, the NU took third place with 45 seats, behind the PNI [Indonesian Nationalist Party] and Masyumi. In the 1971 general election the strong political forces which had been victorious during Bung Karno's time, such as the PNI and Masyumi (which became Parmusi [Indonesian Moslem Party]/MI), became weaker, except for the NU, which still held its own. Because of its sturdy roots, NU's power could not be shaken even though it was hit by various political crises.

On grounds of a program of political restructuring, the NU was forced to merge with the PPP together with other small Islamic political parties. It must be admitted that when the PPP was created, the NU was the dominant faction compared with the other parties. It is not an exaggeration to say that the keys to the PPP's strategic politics at that time were held by charismatic NU figures.

The NU was unable to face up to this program and was forced to merge into the PPP. Even though it was predicted from the start that the party would be dogged by internal conflicts, it turned out that the NU was able to smooth them over in order to face an even greater

battle: winning the general election. But when Naro entered the picture, NU politicians could no longer continue to tolerate them.

The firm policy of not supporting a particular political party—the PPP—allowed NU members to make their own political decisions. In the 1987 general elections GOLKAR's spectacular rise was actually closely connected to the contributions made by NU rank and file, most of whom changed their political choice from the PPP to GOLKAR. NU politicians struggled to support GOLKAR in hopes that the NU, the largest mass organization in the country, would get a sufficient political reward.

But it seems that NU's strong support of GOLKAR in the 1987 general elections was not welcomed in any significant way. It is clear that temporary use was made of the NU in the interests of the 1987 general elections and that afterwards it was disposed of again. Ironically, many NU figures were willing to be manipulated in that way when they sacrificed the support of the rank and file who made a large contribution to GOLKAR's victory. In turn, the break in GOLKAR-NU relations could no longer be avoided and it seems that the NU no longer fully supported GOLKAR in the 1992 general elections, which resulted in a drop in the number of votes for that party, especially in the NU's base, for example in East Java.

Conjecture is that the strained relationship between GOLKAR and the NU will mean that NU politicians, for example younger figures such as Slamet Effendy Yusuf, will not be among GOLKAR's leaders in the period 1993 to 1998. If NU politicians are not among GOLKAR's leaders in the period 1993 to 1998, conjectures are that the relationship between the NU and GOLKAR will become even worse. That is why it is possible that the NU's rank and file will return in droves to the PPP at the next general election.

It is clear that at the 1994 PPP congress the NU, as the largest shareholder, will reclaim its position at the top of the party leadership. [passage omitted]

* Aceh Studying Possible Agricultural Reform 94SE0067A Jakarta MERDEKA in Indonesian 17 Jan 94 p 4

[Text] Lhokseumawe [Aceh] 16 January, MERDEKA—Through basic agricultural reform during the Sixth Five-Year Plan, the Regency of Aceh Utara [North Aceh] will try to improve the economic welfare of its 850,000 people. Regent H. Karimujddin Hasjbullah stated that agricultural reform is being considered to deal with a difficult period as collections under the PBB [Tax on Land and Buildings] from the agricultural sector decline when production from the Arun natural gas field comes to an end, about nine years from now.

The regent made this statement on 12 January at his first meeting with reporters in 1994. The statement was made

in connection with the concern felt by a number of community leaders about how to deal with the situation after the natural gas deposits run out. He emphasized that Aceh Utara will certainly have difficulty obtaining development funds after the natural gas deposits in the Arun field dry up. At present this vital project in Aceh Utara provides about 25 billion rupiahs in PBB taxes annually.

Regent Karimuddin Hasjbullah stated that the first priority and central point of emphasis in future development will be agriculture, concentrating on horticultural and agricultural estate production, in addition to continuing to develop the output of paddy and soy beans. The production of these crops has increased since several technical irrigation projects have begun to function. What remains to be done, requiring attention and follow-through, is an effort to deal with the marketing of these crops. Until now this has always been a problem for the farmers.

According to the regent, half of the PAD (basic provincial tax income) has come from the payment of PBB taxes by vitally important companies in the Lhokseumawe industrial zone, such as Mobil Oil Indonesia (MOI), Parun Natural Gas Ltd., PT Pupuk Iskandar Muda (PIM), PT [limited company] ASEAN Aceh Fertilizers (several types of fertilizer), and PT Kertas Kraft Aceh (KKA) [Aceh Kraft Paper Company]. He said: "When the natural gas deposits dry up, provincial income will decline. Until now gas production has supported the steady implementation of development activity. However, we should not be too pessimistic."

Karimuddin continued that, in view of the natural resource potential of the area, it is only the agricultural sector which could bring in new resources to replace declining PBB tax revenue from the mining sector, which will be forced to halt operations altogether. However, to strengthen the economic basis of the agricultural sector, the regional government must stimulate agricultural development, beginning now. To do that, large amounts of money and hard work will be needed.

Most affected by the drying up of the natural gas wells is the Regency of Aceh Utara. Meanwhile, nine other regencies in Aceh and the Aceh provincial government itself will also lose PBB tax revenues from the mining sector. However, the other regencies have become used to shortages and limitations affecting their budgets, and the consequences will not be particularly felt.

Dr. M. Djakfar G. Hatta, a staff assistant of the regent for the economic sector who was formerly chairman of the North Aceh Regional Development Board, said that Aceh Utara will be very seriously affected because about half of the budget, which at present ranges between 55 billion and 62 billion rupiahs annually, will be lost. Meanwhile, the Aceh provincial government still has rather large additional sources of revenue, such as city taxes, the motor vehicle tax, and tax receipts from other large industries.

In fact, Aceh Utara has a rather large amount of agricultural land. However, since the Arun natural gas field was discovered in 1972, all groups have concentrated on gas and easy money and have not paid attention to what must be done for the good of the regency. No one thought that the natural gas wells would dry up in 20 years or so. Agricultural fields were forgotten, and agricultural development was delayed for 10 years.

Djakfar G. Hatta supported the regent's view that Aceh Utara must rebuild the economic strength of the agricultural sector to what it once was. However, he went on to say, this effort will be increasingly difficult because the majority of the farmers have abandoned their agricultural fields, and some of the land has been sold. The farmers now work as laborers. Meanwhile, thousands of hectares of rice land have been used for the industrial zone.

Regent Karimuddin Hasjbullah stated that in the large agricultural plantation subsector Cot Girek Plantation IX is carrying on an overall diversification program, converting some of its land planted to sugar cane and rubber to oil palms. At present the estate agricultural company is building a modern factory for processing palm oil which is expected to go into production in 1994. In addition to planting its own oil palm area Cot Girek Plantation also needs oil palm seeds produced by individual farmers and under the PIR [Smallholder Nuclear Plantation] program.

According to the regent, the District of Kuta Makmur is now moving quickly to become an oil palm plantation area. Many small and medium-sized businessmen are establishing oil palm plantations. Meanwhile, local people are also beginning to plant oil palm trees. He said: "Efforts like these will support an improvement in community economic welfare."

* Government To Examine Revenue Levels
94SE0066A Jakarta ANGKATAN BERSENJATA in
Indonesian 26 Jan 94 p 3

[Text] Jakarta, ANGKATAN BERSENJATA—Minister of Finance Mar'te Muhammad has stated that, if state receipts for the 1993/1994 fiscal year are not as large as were estimated in the 1993/1994 budget, reductions in expenditures will be made, so that the budget will remain in balance.

He had just finished speaking at a symposium on increasing the role of BEPEKA [state financial supervisory board] during the Second Development Era, held in Jakarta on 25 January on the 47th anniversary of the establishment of BEPEKA. Later on, the minister of finance told reporters that state receipts must equal expenditures for the budget to be in balance. It is now estimated that the petroleum price will not reach its goal. Therefore, to resolve this problem, the government will make reductions in the budget.

He stated: "At present reductions have been made in several government departments, for example, by reducing official travel. The BPEN [National Exports Development Board] is reducing the number of trade missions sent abroad."

According to present estimates, the average petroleum price during the 1993/1994 fiscal year will be \$16.64 per barrel, whereas in the 1993/1994 budget it was estimated at \$18 per barrel.

As is known, the budget for fiscal year 1993/1994 is 62.322 trillion rupiahs. Some time ago the minister of finance stated that every decline in the petroleum price of \$1.00 per barrel results in a loss of \$600 million in state receipts. As a result, if the average price of petroleum is \$16.64 per barrel during fiscal year 1993/1994, whereas the budget estimate was \$18 per barrel, the decline in the petroleum price of \$1.36 means that state receipts will decline by \$16 billion.

When he was asked about the possibility of using funds from the Development Reserve Budget, Minister of Finance Mar'ie did not answer. He said: "I will speak about all of that in Parliament."

Meanwhile, in his speech at the symposium Mar'ie said that if, as a result of investigations, it is learned that there are indications that criminal acts have been committed, the matter should be reported directly and without prior permission to the police and the public prosecutor for further steps to be taken. He said: "It is not necessary to ask for permission. That is the law. If no action is taken by the individual's superiors, he should report the matter to the director general. If action is still not taken, he should report the matter to the minister concerned or even to the president. In this matter we must be absolutely correct," he said. Reports to intermediate level supervisory officials are made only for their information.

The legal basis for this problem is quite broad, both in the Constitution as well as in the basic explanatory section of Paragraph 23 of the Constitution of 1945. The matter of reporting indications of criminal actions is referred to in the explanatory section of Paragraph 3.

Mar'ie said that, to obtain the desired results, more harmonious cooperation is needed between BEPEKA and supervisory authorities. He remarked: "I am not saying that BEPEKA must start its investigations from zero. However, we must stand on the principle of effectiveness, except for very large-scale projects. BEPEKA must investigate matters from the beginning. I do not wish to reduce the authority of BEPEKA. I am only saying what I think." He said that we must also keep in mind that we have limited powers and facilities.

He said that, in addition, there must be good cooperation between government agencies. He stated: "Even what is investigated must be open and aboveboard, and there must be 'full disclosure.' If the PAN [state administration investigative body] has completed its investigation but Parliament does not clearly understand the matter, Parliament can ask for a clarification from BEPEKA, because the agency that conducts the investigation is better informed about it."

Meanwhile, in connection with increasing efficiency, Minister of Finance Mar'ie gave the example of the establishment of a new office in a given department. He said: "BEPEKA must investigate whether the new office is really necessary and whether its functions do not 'overlap' those of another office."

At the same time, in a discussion in the corridors, J.B. Sumarlin, chairman of BEPEKA, said that the function of BEPEKA, among other things, is to collect more complete evidence. This places BEPEKA in the position of investigator of state financial responsibility. He said: "If BEPEKA functions properly, it can optimize the use of public funds." Furthermore, BEPEKA also investigates the use of state financial resources to determine whether they are properly and effectively employed in carrying out approved programs. Regarding the view that only smaller projects should be investigated, Sumarlin said that this is not true. He stated: "It is not true that large-scale projects are not investigated. Investigations of these projects have not been completed, and the government is sufficiently open."

He said that state financial investigations use the device of an audit. At present state financial investigations in countries overseas cover 30 percent of budget volume, whereas in Indonesia only 10 percent is covered by BEPEKA, while the remaining 90 percent is handled by other institutions, such as the BPKP [Finance and Development Supervision Board] and other agencies.

On this occasion Kwik Kian Gie, an economic observer, said that BEPEKA should conduct state financial investigations of 60 percent of the budget volume.

The role of BEPEKA as an investigative body should be considered from its technical ability to handle cultural questions, such as overcoming "embarrassment" in pursuing its inquiries. It must have the courage to say what is true and to discuss corruption as a whole, even if what it reviews under the law causes the financial foundations of the state to shake because of the amount of money involved.

Meanwhile Aberson Marle Sihaloho, a member of the Committee on the Budget in Parliament from the FPDI [Indonesian Democracy Party Faction], said that to strengthen the role of BEPEKA, it must be an "independent" agency. It must be separated from the functions of investigation and supervision.

Investigation of state financial management is handled by BEPEKA. The authority of BEPEKA only covers formal truth. Meanwhile, Parliament, which examines the substance of truth, has no function in this matter. He said: "This is because what BEPEKA investigates is only a sector or subsector and is not an entire program and activities under it." Hamzah Haz, a member of the Committee on the Budget from the PPP [United Development Party] Faction, stated that in approving the state budget the position of Parliament is stronger than that of the government. Parliament is the supreme budget authority. Therefore, in this matter Parliament truly exercises the authority of the MPR [People's Consultative Council]. This function of Parliament is different from that of BEPEKA, however, in carrying out its duty separately from the government. However, BEPEKA does not stand above the government.

Recalling the fact that BEPEKA is a budget supervisory agency established by Parliament to work with the government, while the position of Parliament is stronger than that of the government, BEPEKA should be closer to Parliament than to the government.

Laos

Foreign Minister Meets With Mitterrand BK2602114794 Vientiane KPL in English 0744 GMT 26 Feb 94

[Text] Vientiane, February 26 (KPL)—Lao Foreign Minister Somsavat Lengsavat, on February 24, paid a courtesy visit to French President Francois Mitterrand during which the French president reaffirmed that France attached importance to Franco-Lao relations which, according to him, ought to be more expanded.

Francois Mitterrand said that he would instruct his prime minister Edouard Balladur and Foreign Minister Alain Juppe to find ways to expand the bilateral cooperation and increase aid to Laos. Francois Mitterrand also extended through Mr. Somsavat Lengsavat his greetings and regards to the Lao president, Mr. Nouhak Phoumsavan.

Lao foreign minister briefed Mr. Mitterrand about the political and socio-economic situation in Laos and achievements gained through the implementation of the policy of renovation. The purpose of his visit to France, Mr. Somsavat Lengsavat told the French president, was to work with the French foreign minister, Alain Juppe so as to find ways for the expansion of the relations of friendship and cooperation between the two countries. Mr. Somsavat Lengsavat also extended the greetings of the Lao president to Francois Mitterrand.

Earlier, Lao Foreign Minister met with Mme. Simone Veil, deputy prime minister, state minister for public health, social welfare. The meeting was filled with an atmosphere of friendship and cordiality. Mme. Simone Veil will pay an official visit to Laos next month. She will meet with her counterpart and will discuss matters relating to French aid to Laos in the fields of public health, social security and women's social roles.

Mr. Somsavat Lengsavat arrived in Paris on February 24 and is scheduled to pay an official visit to France for four days. This is his first visit to France since he becomes Laos' foreign minister.

Border Meeting Held With Thai Committee BK2502124794 Vientiane KPL in English 0814 GMT 25 Feb 94

[Text] Vientiane, February 25 (KPL)—The local border security and order committees of Laos' special zone of Sianghon-Hongsa and of Thailand's Nan Province held their second meeting in the special zone of Laos between February 21-23.

Leading the Lao side was Soukan Mahalat, chairman of the local Laos-Thailand Border Security and Order Cooperation Committee of the special zone of Sianghon-Hongsa and the Thai side was led by Pradit Sisophon, governor of Nan Province and chairman of the Nan Province Security and Order Cooperation Committee. The meeting discussed and evaluated their joint operation following the first meeting held on March 6, 1993 in Nan Province, Thailand.

The two sides discussed and fixed the date of the next meeting aiming to guarantee the security along the border of the two countries in general, and in particular the border between the special zone of Sianghon-Hongsa and Nan Province, and to strengthen the friendly ties of good neighbourliness between Laos and Thailand.

Agriculture Official on Rice Shortfalls

BK2702104794 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 26 Feb 94

[Text] Yesterday, at the Forestry Department meeting room in Vientiane, a meeting was held to review and assess losses from last year's rice farming in four provinces—Phong Saly, Sayaboury, Savannakhet, and Saravane.

The meeting was chaired by Sian Saphangthong, deputy minister of agriculture and forestry. It was attended by representatives of international organizations, the foreign diplomatic corps, and the United Nations representation office in Laos, and invited guests from various public and private sectors.

Attendees were presented with a report on the losses in rice farming throughtout the country during last year's rice production season. The losses resulted from natural disasters including drought, floods, and pestilence. According to the final assessment, last year's overall rice shortage throughout the country involved approximately 310,000 metric tons of paddy, or 185,000 tons of white rice. The four provinces mentioned above suffered an estimated shortage of 143,000 tons of paddy, or 86,000 tons of white rice.

The meeting answered questions from representives of various organizations and also reported on relief aid

provided by the Japanese Government—approximately 200 million yen worth of white rice. The meeting also called for various countries to consider relief aid for Laos, while the Lao Government will at the same time submit requests for the same purpose to various countries through the World Food Program representative office in Laos.

Thailand

Prasong Meeting With Qian Qichen Detailed BK2802134094 Bangkok ZHONG HUA RIBAO in Chinese 28 Feb 94 p 8

[Excerpts] Foreign Minister Squadron Leader Prasong Sunsiri last night reaffirmed to Qian Qichen, Chinese vice premier and foreign minister, that Thailand will strictly abide by the principles laid down in the 1975 joint communique on the establishment of diplomatic ties between Thailand and China and will follow a one-China policy.

Qian Qichen expressed his appreciation for Foreign Minister Prasong's reaffirmation. He said that frank exchanges of views can help solve problems and create mutual trust, understanding, and respect. [passage omitted]

Speaking to reporters, Foreign Minister Qian said the two sides had discussed many issues, mostly bilateral issues. He said that China and Thailand have maintained good relations. The two countries have exchanged visits between high-level officials and developed economic and trade cooperation. Moreover, the two countries have cooperated well in tackling some international issues, especially the Cambodian problem. He said that the two sides should cherish these relations. The two sides should solve problems through frank exchanges of views that will help create mutual respect, understanding, and trust.

He said the two sides had exchanged views on the Taiwan issue. He appreciated Foreign Minister Prasong's reaffirmation that Thailand will strictly abide by the principles laid down in the joint communique on the establishment of diplomatic relations and will follow a one-China policy.

Asked whether Chinese President Jiang Zemin will attend the Asia-Pacific Economic Cooperation [APEC] meeting in Indonesia late this year if the host country invites Taiwan President Li Teng-hui to join the meeting, Foreign Minister Qian said that China would like to see the Seattle model used for the APEC informal summit. Asked whether China or Taiwan would be the first to join GATT, Qian Qichen replied that China should be first.

Foreign Minister Prasong told reporters the two sides believe that the two countries should continue to cherish their long-standing good relations and further develop economic and trade cooperation. Prasong said that Foreign Ministry Permanent Secretary Pracha Khunakasem had briefed Qian Qichen on the upcoming ASEAN foreign ministers meeting to be held in Bangkok in July. In addition to its dialogue partners, ASEAN will also invite China, Russia, and some other countries to attend the meeting as observers. The Chinese foreign minister expressed his satisfaction with the briefing.

The Thai foreign minister stressed that Thai-Chinese friendly relations should be continuously developed. The Thai foreign minister also conveyed an invitation from Prime Minister Chuan Likphai for Chinese President Jiang Zemin to visit Thailand at an appropriate time.

Squadron Leader Prasong said that the Chinese side also hoped that Thailand would help push for the implementation of the quadrangle development project. The third meeting for the project will be held in Laos soon.

Action Against Lao Rebel Leader Gains Support

Supreme Commander on Deportations

BK2802153194 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 28 Feb 94

[Text] The supreme commander has confirmed the plan to deport to Laos all Hmong who have taken refuge at Wat Tham Krabok in Sara Buri Province. Supreme Commander Air Chief Marshal Woranat Aphichari said the military has been coordinating with the Interior Ministry to identify the illegal immigrants who fled from refugee centers to Tham Krabok. Concerning General Vang Pao, the supreme commander said legal action will be taken if he returns to Thailand to pursue subversive activities. The supreme commander explained that the measure taken by the military followed a government order, which wants to preserve good relations with the neighboring country.

[Begin Woranat recording] We have filed charges against him. This is aimed at preventing Gen. Vang Pao from entering our country. He will be arrested at the immigration checkpoint if he tries to enter the country. Concerning the next steps we will take, I do not think we can reveal them because that would affect the efficiency of our plan. [end recording]

Asked about the attacks on Thai fishing boats by Burmese soldiers off Ranong Province which resulted in a number of Thai fishermen being killed, the supreme commander said officials concerned are gathering information about the incident for use at the next meeting of the Thai-Burmese border committee. Meanwhile, Thailand must try to solve its own problem by preventing Thai fishermen from encroaching into the waters of other countries.

Police To Take Legal Action

BK2602145594 Bangkok BANGKOK POST in English 26 Feb 94 p 6

[Excerpts] Police Chief Gen. Prathin Santipraphop has pledged the police will take legal action against Gen. Vang Pao's fighters taking refuge in Saraburi's Wat Tham Krabok and other immigration centers. Gen. Prathin said 40 Lao out of 6,096 living in Wat Tam Krabok were suspected to have military connections with Gen. Vang Pao's groups.

"I have ordered metropolitan and provincial police, including state agencies concerned, to inspect whether the Laotian anti-government members are living in the immigration centers in the northern and northeastern provinces," he said. "These people will be arrested and brought to court," said Gen. Prathin. "This includes Lao illegal immigrants." He said the illegal immigrants would be deported to their home country after being prosecuted.

The chief ordered police to search for more evidence to prove that Gen. Vang Pao and Gen. Thonglit Chokbeng-boun had been using Thailand as the base to mastermind subversive activities against the Lao government. Gen. Prathin's pledge to arrest the rebels came after the military filed charges against Gen. Vang Pao, claiming the movements of the Lao dissidents in Thailand had shaken national security and had affected the relationship between the two countries.

The military yesterday arrested three Lao believed to work for Gen. Vang Pao's group. They are identified as Pa Cha Pa, Cheu Yang, and Mai Jung Yang. Pa and Cheu hold American citizenship and Mai has Australian citizenship.

According to the police, after the civil war in Laos died down in 1975, the court of the then Lao government ruled that Gen. Vang Pao and Gen. Thonglit, now in exile in the United States, were war criminals. [passage omitted]

Based on last year's intelligence information, the Supreme Command Headquarters discovered some Hmong ethnic people allegedly belonging to the Lao anti-government forces had been active militarily along the Thai-Lao border.

Concern Over Impact on Economy

BK2702140294 Bangkok MATICHON in Thai 27 Feb 94 p 4

[Excerpt] A MATICHON correspondent reports from Nan Province that news about the movements of Lao rightis; Generals Vang Pao and Thonglit Chokbengboun at the Inai-Lao border in Nan Province has created concern among local businessmen. They feared a negative impact on the economy of the province if the government fails to handle this problem effectively. Thailand is cooperating with Laos to open a permanent

border point for trade in Ban Huai Kon, Thung Chang District, Nan Province. If the matter is not cleared up, Laos will be suspicious of Thailand, and this will delay the project.

According to a report from the provincial office, a Thai delegation led by Nan Governor Prawit Sisophon held a meeting with Lao officials of Sianghon-Hongsa special zone on 21-22 February. An agreement was reached saying both sides will instruct officials to strictly check activities of the anti-Vientiane movements. They agreed to exchange information on a monthly basis so the authorities concerned could check the problem in time.

The report indicates that authorities of both sides agreed to step up control at border trading points. Each Lao national seeking treatment at hospitals in Thung Chang District and Song Khwae Subdistrict in Nan will not be allowed to have more than two persons accompanying him into Thailand. Hospital authorities must report admissions to their superiors in order to prevent cases of illegal entry. [passage omitted]

Editorials Laud Action

BK2602134094

[Editorial Report] The 26 February issue of the Thai papers MATICHON and KRUNGTHEP THURAKIT carry editorials on the Supreme Command's petition to the police to investigate former Lao Generals Vang Pao and Thonglit Chokbengboun on the charge of violating national security.

The 600-word MATICHON editorial, on page 2, entitled: "Vang Pao—A Man in a Wrong Era," says: "The action by the Supreme Command can be regarded as sincerity on the part of the Thai Government in showing the Lao Government that it has not ignored rightist attempts to undermine the Lao Government. Efforts by these rightists to organize the overthrow of the Lao Government amounts to an anachronism. The Cold War, when ideological differences between neighboring countries led to their support of subversive activities against one another, is over."

The editorial continues: "The current world is one of cooperation for economic development and prosperity," adding that the situation between Thailand and Laos has developed into an era of cooperation for mutual benefit.

"Therefore, Gen. Vang Pao and his followers who continue to cling to building up an army to topple the Lao Government are living in the wrong world. It is odd that Vang Pao has chosen to live in exile in the United States surrounded by modern technology and thinking. Vang Pao was once a political pawn serving the United States. One wonders, however, if he is still serving in the same capacity or simply could not shed his past.

"The Thai Government must keep in touch with world developments. If Thailand wants to be the region's economic leader, the Government must show its sincerity in engaging in economic cooperation with its

neighbors—Laos, Burma, or Cambodia. So far, to its credit the Government has shown that it has not gotten involved with rebel groups opposing those governments. This will win their trust and eventually their economic cooperation."

The 600-word KRUNGTHEP THURAKIT editorial, on page 2, entitled: "The Stand Must Change With Time," says: "It is strange that the Thai Government did not take action against the Lao rightist generals itself, letting the Supreme Command do it instead. The government has direct responsibility here. It is possible that it does not have enough information, as in case of the arms cache in Chanthaburi Province.

"In any event, the action against the Lao rightist generals should have been taken long ago, when the Lao People's Democratic Republic [LPDR] Government received the recognition of the international community, including the United Nations. The action was not taken earlier possibly because previous Thai governments nurtured the hope that the rightists would be able to overthrow the LPDR Government and return to power. It knew that the rightists remained active and used Thai territory as a sanctuary for their operations in Laos. At that time the LPDR Government accused Thailand of supporting the Lao rightists. However, the Thai Government ignored the accusation, and thus made the Lao rightists more bold in their subversive activities."

The editorial continues: "The publicized action by the Thai military against Vang Pao and his followers is necessary because Thailand has to show its clear stance toward the LPDR as diplomatic and trade contacts with that country become increasingly greater. The Thai-Lao Friendship Bridge will be opened soon, and Thailand cannot afford to be unclear in its stand. Gen. Vang Pao and his followers ought to understand their own position and Thailand's new position and quickly cease subversive activities against the Lao Government."

Would-Be Assassin of Khin Nyunt Sentenced BK2602134694 Bangkok THE NATION in English 26 Feb 94 p A2

[Text] A Burmese man arrested three months ago on a charge of possessing war weapons and illegal entry into Thailand was on Thursday sentenced by the Criminal Court to four years and eight months in jail. The court initially sentenced Sun Naign to seven years but commuted the sentence because he had pleaded guilty. Sun Naign, 28, was among four Burmese arrested in November last year at a house in Bangkok's Ratthewi district. Police seized two sticks of TNT, two M-26 hand grenades, a detonator, electric wire and handgun cartridges in their rented house.

The four said they had planned to use suicide bombs to assassinate Gen. Khin Nyunt, the chief of Burma's military State Law and Order Restoration Council (Slore), on Burma's Independence Day on Feb 4. Following their arrest, Thai authorities have tightened

enforcement of laws to try to control the large number of Burmese illegally in Thailand. The move has been criticized by the international community over the human rights issue.

Sun Naign was previously arrested and imprisoned in 1989 after he and another Burmese student hijacked a Thai Airways International flight from Rangoon to U-Taphao, in an action he said was to raise international awareness of the suppression of the democracy movement in Burma.

Caravan Denied Cambodia Entry, Fighting Noted BK2702104994 Bangkok BANGKOK POST in English 27 Feb 94 p 1

[Text] The Thai-Cambodian 'Caravan for Friendship' was turned back by Cambodian officials yesterday shortly after it was allowed to enter Cambodia, and the tour was eventually cancelled.

The caravan began moving into Cambodia at 1 p.m. after a day's delay caused by Cambodian officials refusing to let the caravan enter the country. The delay caused 11 cars to pull out of the tour to Angkor Wat. But when the caravan of 61 cars carrying 191 passengers arrived at a roadblock on Highway 5 about four kilometers from the border, it was stopped by Cambodian officials who told all the Thai motorists to remove the Thai-Cambodian Caravan for Friendship stickers from their cars.

Cambodian officials, who offered no explanation, refused to let the caravan go further. The disappointed participants delegated representatives to file complaints with the district police against the organizer of the trip, Mrs. Prakaimat Wiara of the Goodtimes Entertainment Company.

Cambodian government forces were yesterday engaged in a fierce artillery and mortar duel with Khmer Rouge guerrillas near the Thai border yesterday. Thai military sources said the fighting, which lasted about four hours, caused Thai villagers living in Ban Khok Sabaeng to take cover in bunkers. Stray shells overshot and landed in uninhabited Thai territory. None of the Ban Khok Sabaeng villagers was injured. It was the most intense fighting since a lull began late last month, sources said.

Border patrol police sources said about 40 Khmer villagers, mostly children, fled into Thailand. Three were wounded and had to be taken to the district hospital. One of the three, Mrs. Pol Li, 29, said that before the artillery duel took place, a group of about 30 armed bandits believed to be Khmer Rouge surrounded their village and ransacked 15 houses. They later clashed with Cambodian government police at the village. A policeman and a civilian were killed in the clashes, Mrs. Pol Li said. A woman is missing and is believed killed.

Vietnam

Spokesman Condemns Hebron Mosque Massacre BK2602151494 Hanoi VNA in English 1417 GMT 26 Feb 94

[Punctuation as received]

[Text] Hanoi VNA Feb. 26—A spokesman for the Ministry for Foreign Affairs of Vietnam quoted foreign sources as saying that on Feb. 25, 1994 an Israeli in army uniform shot a crowd of people who were praying at a mosque in the Israeli-occupied town of Hebron in the West Bank of Jordan River, killing 53 persons and wounding 125 others.

In a statement released here today, the spokesman said: 'The Vietnamese Government and people felt moved and strongly condemned this cruel crime. While negotiation on the Middle East problem is nearing a solution. This act of the Israeli ultra rightists created a tense atmosphere, thus causing negative effects to the present talks between Israel and the Palestine Liberation Organization (PLO) aimed at implementing the agreements on the transfer of autonomous rights to the Palestinian people in Gaza Strip and Jericho City'.

The spokesman continued: 'The Israeli authority should take effective measures to prevent the recurrence of similar acts and ensure the safety of live and property of the Palestinian people in the occupied areas'.

'The Vietnamese Government and people have resolutely and persistently supported the Palestinian people's just struggle under the leadership of the PLO for their sacred national rights', the spokesman stressed in conclusion.

VNA Reports 22-25 Feb Border Talks With PRC BK2702145294 Hanoi VNA in English 1433 GMT 27 Feb 94

[Text] Hanoi VNA Feb. 27—Talks was held here from Feb. 22-25 on the working procedure of the joint Vietnam-China Land Border Working Group by the border officials of the two countries in furtherance of the 'Agreement on the Fundamental Principles To Settle Issues Relating to the Border and Territory Issue Between the Two Countries'.

The two sides agreed that the second meeting of the joint group will be held in Beijing.

On this occasion, Deputy Foreign Minister Vu Khoan received all the members of the joint group. Chinese Ambassador Zhang Qing was present at the reception.

Vo Van Kiet Receives PRC Bank Delegation

BK2702140494 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 25 Feb 94

[Text] Prime Minister Vo Van Kiet received Nhen Yuan, deputy governor of the People's Bank of China, on 21 February at the Government Office. Also attending the reception was State Bank Governor Cao Sy Kiem.

Deputy Governor Nhen Yuan thanked Prime Minister Vo Van Kiet for receiving the delegation. He briefed the prime minister on the results of the delegation's working session with the Vietnam State Bank, the bilateral banking cooperation program, and the implementation of the agreements on future cooperation and payments between the two state banks.

Prime Minister Vo Van Kiet welcomed the cooperation between the two state banks and expressed his hope that these cooperative ties will continue to be broadened to help consolidate the friendly and cooperative ties between the two parties, governments, and peoples a step further.

Do Muoi Receives Cuban Bank Delegation BK2602151694 Hanoi VNA in English 1413 GMT 26 Feb 94

[Text] Hanoi VNA Feb. 26—General Secretary Do Muoi received here today a delegation of the Cuban National Bank led by its First Vice President Osvaldo Torres who is here for a visit to Vietnam.

Speaking at the guests, General Secretary Do Muoi spoke highly of the promotion of the exchange of experience and cooperation in various fields between the banking services of the two countries. He said he considered their visit as an important contribution to furthering the close friendship, solidarity and cooperation between the two parties, governments and peoples. Mr. Muoi reaffirmed that the party, the government and the people of Vietnam consistently support Cuba's revolutionary cause and wished the Cuban people under the leadership of the Communist Party of Cuba led by President Fidel Castro greater success in overcoming difficulties and trials, firmly defending their revolution, and taking it forward.

For his part, Mr. Osvaldo Torres noted that the achievements recorded by the Vietnamese people in the process of renovation were the source of encouragement to the Cuban people in overcoming difficulties and trails in order to defend their revolutionary achievements, thus bringing the country toward socialism.

Also present at the reception were Vietnam State Bank Governor Cao Si Kiem, deputy head of the External Relations Commission of the CPV Central Committee Nguyen Van Son and Cuban Embassy Charge Affaires A.I. Ruben Vades. Vo Van Kiet Sees Cuban, Austrian Delegations

BK2502155294 Hanoi VNA in English 1450 GMT

25 Feb 94

[Text] Hanoi VNA Feb 25—Prime Minister Vo Van Kiet received here this morning a delegation of the Cuban National Bank led by its First Vice President Osvaldo F. Torres, now on a working visit to Vietnam. While here, the delegation paid a floral tribute to the late President Ho Chi Minh at his mausoleum. It has working sessions with officials of the State Bank and the Commercial Bank of Vietnam during which the two sides affirmed their determination to continue broadening their cooperation and exchanging experience in the field of banking activities in each country in order to effectively implement the agreements between the two countries signed during Prime Minister Vo Van Kiet's visit to Cuba last year. Prime Minister Vo Van Kiet hailed the results of the two sides' working sessions as a new manifestation of the friendly and cooperative relations between the fraternal and reliable peoples of Cuba and Vietnam. He said the friendship, cooperation and mutual assistance between the two countries were elements of important significance to the national construction and defence of each country in that cause and would learn much from Cuba's valuable experience.

Vice President O.F. Torres highly appreciated the achievements recorded by the Vietnamese people in the renovation process which he said would be an encouragement to the Cuban people in its struggle to overcome immediate difficulties and firmly safeguard its revolutionary gains in a new stage.

Yesterday afternoon, Prime Minister Vo Van Kiet also received an Austrian trade mission led by Leopold Maderthaner, president of the Austrian Federal Economic Chamber, and representatives of 45 Austrian major companies who arrived here on Feb. 23. While here, the Austrian mission compared notes with Doan Duy Thanh, president of the Vietnam Commerce and Industry Chamber, and other ministries and branches concerned on possibilities of expansion of economic and commercial cooperation between the two countries.

At this reception, Mr Maderthaner stressed that the cooperation development between Austria and Vietnam was in the right direction. Besides expanding trade ties, his country would assist and cooperate with Vietnam in manufacture of machines in service of agriculture and water resources, equipment for water supply, and training personnel for economic management.

Mr. Maderthaner informed Prime Minister Kiet of his government's decision to sponsor a seminar on economy to be held in Vietnam and to finance a feasibility study in manufacturing machines. Speaking to his guests, the Vietnamese prime minister said that Vietnam welcomes and is ready to create favourable conditions for Austrian businessmen to come to inquire into possibilities and carry out investment projects in the interest of the two countries. Prime Minister Vo Van Kiet expressed his

hope that Austria would be a reliable partner of Vietnam in economic, trade cooperation and investment in future.

Nguyen Manh Cam Discusses Cambodia Ties BK2802135094 Hanoi Voice of Vietnam in English 1000 GMT 28 Feb 94

[Text] Cambodian National Assembly Chairman Samdech Chea Sim will visit Vietnam early next month and Vietnamese Prime Minister Vo Van Kiet will visit the Kingdom of Cambodia. Radio the Voice of Vietnam correspondent has interviewed Vietnamese Foreign Minister Nguyen Manh Cam, who has just returned from a visit to Cambodia, on the relations between the two countries. Asked about the exchange of visits of the leaders of Vietnam and Cambodia, Foreign Minister Nguyen Manh Cam said:

[Nguyen Manh Cam, in Vietnamese fading into English report] With a view to constantly consolidating and strengthening the friendship and cooperative ties in all fields between Vietnam and Cambodia, both countries have agreed to promote the exchange of visits of delegations at different levels, including the top one. In this spirit, the official visit to Vietnam by Samdech Chea Sim and that to Cambodia by Prime Minister Vo Van Kiet will open a new stage in bilateral relations. Both sides are making active preparations for the success of these visits.

Foreign Minister Nguyen Manh Cam also said his recent visit to Cambodia, the first one, was aimed at preparing for the coming visit to Cambodia by Prime Minister Vo Van Kiet. The foreign minister said:

[Nguyen Manh Cam, in Vietnamese fading into English report] Cambodian leaders have given us a warm, solemn, and friendly welcome. Besides the talks with Foreign Minister Prince Norodom Sirivut, we were received by the chairman of the Cambodian National Assembly and the second and the first premiers of Cambodia. Everyone expressed the determination to strengthen friendship and good neighborliness and broaden multifaceted cooperation for mutual benefits. This was according to the principles written in the joint communique issued in January 1992 by the Vietnamese foreign minister and Prince Sihanouk, who was then the chairman of the Supreme National Council, and also in a joint communique signed by Prime Minister Vo Van Kiet and the two Cambodian co-premiers during their visit to Vietnam in August last year. These principles include respect for each other's independence, sovereignty, the right to self-determination and territorial integrity, and cooperation for mutual benefits. Both sides exchanged views on measures to promote economic, trade, and educational ties. In this direction, both sides agreed to make active preparations for the signing of necessary agreements during the upcoming visit by Prime Minister Vo Van Kiet to lay legal grounds for long-term cooperation.

Concerning existing problems, including border issue and the issue of Vietnamese nationals in Cambodia, both sides agreed to solve them through negotiations. They agreed to set up a necessary mechanism to enter into negotiations soon to solve those issues on the basis of respect for each other and mutual understanding and in accordance with the law of each country and international practice.

Foreign Minister Nguyen Manh Cam said he and Cambodian Foreign Minister Sirivut signed an agreement on cooperation between the two Foreign Ministries aimed at promoting relations between the two countries.

Radio Reports on Goh Chok Tong's Upcoming Visit

BK2802134194 Hanoi Voice of Vietnam in English 1000 GMT 28 Feb 94

[Text] Singapore's Prime Minister Goh Chok Tong arrives in Hanoi on Wednesday to complete the process of normalized bilateral relations. It is the first visit by a sitting Singaporean prime minister to Vietnam. At present [words indistinct]. It has invested 366 million dollars in Vietnam but according to business people, the actual volume of Singapore's investment is over 1.5 billion dollars in Vietnam.

During his four-day official visit, the Singaporean prime minister will tour some Singapore-funded projects in Hanoi. Both sides are expected to sign several economic agreements during his visit.

Foreign Investment Success in Hanoi Noted BK2802105994 Hanoi VNA in English 0551 GMT 28 Feb 94

[Text] Hanoi VNA February 28—One hundred and five foreign-investment projects have been licensed in Hanoi since December 1987 when the law on foreign investment of Vietnam came into being.

In 1993 alone nearly 50 projects were licensed with a total capital of more than USD 700 million, accounting for a half of the total amount of foreign capital invested in projects in the capital city.

Different from previous years when foreigners focused on tourism service, one-third of the 1993 capital was invested in industrial production. Prominent among these projects are the Oriow-Hanel picture tube plant (a joint venture with S. Korea) which has a prescribed capital of USD 170.5 million and the (?Dkhha) Business Centre (a joint venture with South Korea), USD 64 million.

Leading the 24 foreign investors in Hanoi is South Korea which has invested in six projects with a total capital of USD 43.8 million France, nine projects and USD 132,782,377 followed by Taiwan, and Singapore. Of these foreign-invested projects, totally or partly funded by foreigners, a large number are operational, while

some are still under construction. Vietnam by collaborating with foreign partners in the past six years, has gained a work force which is now accustomed to modern industrial and management style. A number of managers have learnt both foreign languages and business administration. Also, joint ventures have created jobs for Vietnamese, contributing to efforts to reduce unemployment in the capital city.

Some joint ventures have brought about evident socioeconomuc effects and made considerable profits. They are the Thai-Vietnamese joint venture to produce adhesive bands for women, the Vietnamese-Danish joint venture to brew Carlsberg beer, and so on.

Foreign investors are now inclined to invest in the north, Hanoi in particular. To encourage this inclination, the Vietnamese Government, besides simplifying the procedure for issuing licences, [words indistinct] upgrade the Noi Bai International Airport, the highway no. 5 that links Hanoi and the port city of Haiphong, and the Haiphong harbour.

* 'Former Regime' Officers Sentenced for Sabotage

94p30031 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 16 Dec 93

[Editorial Report] On 15 December 1993, the Ho Chi Minh City People's Court tried Nguyen Thanh Van and his accomplices on charges of sabotaging security and disturbing public order. The presiding judge was Le Thuc Anh, deputy chief judge of the Municipal People's Court; the prosecutor was Truong Hoang Minh, chief of the security investigations bureau of the Municipal People's Organ of Control.

Defendants Trinh Van Thuong, Nguyen Thanh Van, Nguyen Duc Loi, Nguyen Van Trong, and Nguyen Huu Son were military officers under the former regime. In 1978, while undergoing re-education, they created the so-called Vietnam People's Party under the leadership of Trinh Van Thuong with objective of overthrowing the "revolutionary government." After leaving re-education, they helped Nguyen Thanh Van flee to contact reactionary groups overseas in order to organize forces to oppose and sabotage the Socialist Republic of Vietnam.

In November 1990, Van returned from the United States, re-established contact with Thuong, Loi, and Son, and helped set up the "Hung Gia Dai Viet United Front," chaired by Son. They launched their "Nguyen Trai campaign" but did not achieve the desired result. Next, Thuong discussed with Loi the idea of exploiting some unresolved complaints about ricefields by a number of peasants from Gia Tan 3 Village, Thong Nhat District, Dong Nai Province, to incite them to oppose the authorities. In May 1991, Van returned to Vietnam and planned with Loi and Thuong to organize the Gia Tan 3 peasants to demonstrate in Ho Chi Minh City. Van intended to photograph the demonstration as evidence that he could take abroad in order to seek support

from exile groups. On 16 June 1991, Nguyen Van Chinh and La Thi Na organized about 100 peasants who gathered at Office 2 of the Council of Ministers; Van, Thuong, and Loi were also there to observe and take pictures. All three were uncovered and arrested afterwards.

The Municipal People's Court ruled that Van, Thuong, Loi, Son, and Trong were reactionaries who had carried out many acts against the people's government. Chinh and Na, though knowing the five were "bad elements", had cooperated with them to organize two demonstrations. After discussing the defendants' roles and degrees of guilt, the court handed down prison sentences: Nguyen Duc Loi, 11 years; Trinh Van Thuong, 10 years; Nguyen Thanh Van, nine years; Nguyen Huu Son, six years; Nguyen Van Trong, three years; Nguyen Van Chinh, 32 months; La Thi Na, 30 months.

* Mineral Reserves, Exploitation, Markets Assessed

* Bao Loc Bauxite Awaits Markets 942E0029A Hanoi LAO DONG in Vietnamese 23 Sep 93 p 3

[Article by P.T.]

[Text] Since the beginning of the year, the Bao Loc bauxite ore enterprise has mined almost 900 tons of ore, a very small amount compared with the enterprise's capabilities (each year, it mines approximately 15-16,000 tons).

For lack of markets, the enterprise has mined only moderate amounts. At present, the only market for this ore is the Southern Chemicals General Corporation. This is a great loss for this abundant mineral.

Based on surveys, Bao Loc and nearby areas have approximately a billion tons of bauxite, of which approximately 220 million tons is concentrated around Bao Loc City. In particular, the ore at Bao Loc has a very high alumina (AL2O3) content, 45-50 percent. On the other hand, the ore has a hardened, weathered structure and is easy to mine and transport.

The industrial-mineral sector must make plans to exploit this very abundant natural resource.

* Ilmenite Exports Reported

942E0029B Hanoi LAO DONG in Vietnamese 21 Oct 93 p 3

[Article by D.C.]

[Text] During the 3 months it has officially been in operation, the Austinh-Ha Tinh (Austinh Ltd) Ileminte Corporation has attracted many new customers, including those from Japan, Taiwan, Spain, and Malaysia. It has exported almost 30,000 tons of Ilmenite. In particular, in August 1993, the corporation exported

22,800 tons, 80 percent of the 1993 plan. The ilmenite ore found in Ha Tinh has a high content, and there are large reserves. Thus, the corporation should be able to attract many customers. In 1994, the corporation hopes to export 60-80,000 tons with ore grading systems at the mines able to handle 120,000 tons.

In the past, because mining operations were not organized, damage was done to the environment. Today, the Austinh Corporation is using new techniques and purchasing ore only from individuals extracting ore from within designated zones. As a result, the above situation has been overcome.

Austinh is the economic spearhead of Ha Tinh. During the 3 months the corporation has been in operation, revenues have exceeded \$3 million, more than 1 billion dong has been paid into the budget, \$15,000 has been contributed to the people of Ha Tinh, 12 beds have been contributed to the provincial hospital, and 100 million dong has been invested to repair roads and bridges and help three villages build schools.

* Ha Tinh Gold Mining

942E0029C Hanoi LAO DONG in Vietnamese 26 Dec 93 p 1

[Article by Thanh Phong]

[Text] Recently, digging and panning for gold has reached fever pitch in Ha Tinh. People are not only panning for gold but also digging for gold ore, primarily in Ky Anh and Huong Khe districts.

At the Hoa Hai gold mine in Huong Khe District, people from various localities have come to dig for gold ore using a variety of implements such as rock crushers and manual grading machines. At times, thousands have come, with the average being 200 people with about 40 rock crushers in operation. There have been reports that Nguyen Van Dai, a local person, extracted 40 kg of gold ore, which is the equivalent of 26 ounces of gold. After mining this gold, he abandoned his tools and left the area, fearing that he would be robbed. One person was murdered while digging for gold.

Village authorities collect 1.2 million dong for each gold excavation pit without giving any attention to how the land is dug up. This has had a serious impact on the environment.

* Ruby Exploitation Reported

942E0029D Hanoi QUAN DOI NHAN DAN in Vietnamese 20 Jan 94 p 3

[Article by Bac Hai]

[Text] Although there is no basis for affirming this, public opinion holds that there are a number of individuals in Hanoi whose "wealth" is tied to the smuggling of rubies. Because of this, they have become wealthy very quickly.

But the truth is, most of those engaged in smuggling rubies out of Vietnam are foreigners. An Indian businessman said that he had purchased a 50-carat Vietnamese ruby in Bangkok for 37 million baht (\$1.5 million). After cutting the stone, he sold the 27.5-carat ruby for \$3 million. This is not, however, the largest. Nguyen Xuan An, the director general of the Vietnam Gemstone Corporation, said that a rough ruby weighing 57.6 carats is now being kept at the state storehouse.

In 1984, with the help of Czech specialists, Vietnamese geologists discovered the first ruby in Luc Yen in Yen Bai Province, 275 km northwest of Hanoi. This is an alluvial area containing Burmese-colored rubies, purple sapphires, and a number of other colored stones. People have surveyed a number of zones and preliminarily evaluated the distribution of rubies here. In their survey, geologists zoned the Khoan Thong Valley, creating the preconditions for the birth of a joint gemstone venture with the Thai B.H. Corporation. In a number of other valleys such as Nuoc Ngap and Lung Cay, the locations of gemstones, mainly rubies, were determined. In 1987, geologists found another alluvial mining area containing rubies in Quy Chau in Nghe An Province, 250 km southeast of Hanoi. By chance, several rubies were discovered in the waste disposal yard of the Chau Cuong tin mine. The survey program here revealed the presence of rubies over a broad area. A broad zone running parallel to Highway 48 was zoned for geological surveys. Because the secret got out, at the end of 1990, large numbers of people started coming here, with the number sometimes reaching several tens of thousands. They dug everywhere in this zone, which gave rise to the names Doi Ty [Billion Hill] and Doi Trieu [Million Hill]. Some were lucky, but hundreds of others died in the pits. Doi Ty became Doi Tu [Death Hill], with almost 100 people buried alive. Robbery, gambling, and prostitution became rampant and could not be controlled. With the help of the central echelon, after 2 years of great effort, the local authorities managed to reestablish order there.

The government has promulgated many policies to expand the ruby mining and processing industry. This includes organizing bidding on plots of land ranging in size from 1-5 hectares, allowing various economic elements, including individuals, to participate, encouraging foreign corporations to invest together with domestic corporation, and lowering the export tariff on cut rubies from 5 percent to 1 percent. However, out of concern that the masses will carry on mining activities spontaneously outside the control of the various-echelon authorities, the government has yet not lifted the ban on conducting gemstone surveys, which was promulgated in September 1991, except in zones adjoining mines now in operation. If this problem is resolved soon and control over this valuable resource is organized well, the Vietnamese gemstone industry will develop rapidly, creating jobs for hundreds of thousands of laborers, particularly in the processing sector.

Article Examines Open-Door Economic Policy

BK2702093294 Hanoi Voice of Vietnam Network in

Vietnamese 1430 GMT 25 Feb 94

[Article by Khong Doan Hoi from 25 February NHAN DAN: "Opening, But Not Losing Ourselves"]

[Excerpts] Every nation, on its path to historical advancement, must organize its social economy for commodity production. The national door must be opened even wider when market-oriented production is the common trend in the world. In this trend, the thought of producing everything for our consumption is not beneficial. [passage omitted]

How can we change social production to a social possession form? Historical reality shows that it is a natural development process of the production force. Only the strong development of the production force can create the absolutely necessary requisite conditions for socialism. Marx said poverty will be common if these requisite conditions do not exist. Deprivation will exist and the need to fight for necessary materials will return. People will plunge into their old garbage dump.

Our country is transitioning to socialism without a capitalist regime. It means that we do not have enough of those absolutely necessary requisite conditions. These conditions must be understood in light of the background that the world is entering its third millennium. We must open our door because of that very basic reason. Determination, even iron-like determination, is not enough to build the necessary material requisite conditions. Worse still, it is too little. Together with that iron-like determination, we must have giant material establishments, hundreds of billions of dollars in capital, and modern techniques and technologies. Otherwise, economic lagging will be certain. We must also have a broad external market and socioeconomic management knowledge that is suitable to civilization. But these are things that our country is severely deprived of at the moment. And the opening of the door is mainly to reduce deprivation or, as Lenin said, it is a method to seek the contribution of external hands to our undertaking.

But will we be able to implement our intention? The historical reality and results of years of renovation have given us an affirmative answer. During the Leninist era, while Russia was in the aiming sight of imperialism, there were people entering the country, not from their charity, but from their greed.

Today, according to the French Communist Party's judgment, imperialism is still an economic and political imperialism. Moreover, it is also a justice imperialism, as remarked by Ramsay Clark, former U.S. attorney general. [passage omitted]

A special character of our living at this time is the world economic race in the background of competition and cooperation on the basis of mutual existence. This background, together with challenges, is creating favorable opportunities for us. The increasing dependence among different nations means that we need them, but that they need us as well.

Therefore, opening the door is necessary and possible. But how to open so the owner is not blown away by hurricanes and the house does not become a hut in the wilderness? What can we do so that we do not lose ourselves? That is where the key issue rests. Can we manage in a way such that only we receive the benefits? Lenin denounced this idea by saying that whoever wants to sign a land lease agreement on the basis of communist principles should be put in a mental hospital.

According to a review of the Committee for International Processing Zones, good processing zones must have favorable labor conditions such as low wages, good workers, and concessional taxes. In conclusion, both economic and political benefits must be favorable. And this should be made clear. Even former U.S. President Richard Nixon, in his strategy to destroy the USSR, said clearly in 1988 that the requisite for material aid and its use was aimed at provoking the fight for national rights in the USSR; if the devil of self-esteem and national hatred was aroused, the door for peaceful evolution would be widely open.

Everybody must seek their own benefit. Therefore, the dominating principle is bilateral benefit. There can be winners and losers when the door is already open. The important thing is that we have to realize the changelessness and the content and limit of the benefit upon which the two sides have agreed. We need to have a clear concept of our benefit, realizing temporary and longterm benefits and fundamental and secondary benefits. The fundamental and long-term benefit to our country is that we have to develop our production force at all means to build socialism. That means that we cannot fall on the concept of one-sided economy and one-sided marketing. Every economic development step must be a better step for the implementation of social fairness to strengthen economic independence and social stabilization. [passage omitted]

Under present conditions where our country is adopting a market-oriented economy and an open-door policy, the legislative system must create a safe corridor of laws for various trade activities to create a favorable and safe environment for foreign investment in Vietnam and to maintain order in economic management. It is necessary to make extensive use of principles in civil laws by harmoniously combining the long-lasting character of principles with necessary institutional renovation to suit changes in economic relations and to ensure the feasibility of projects, and so forth. [passage omitted]

We need laws and also economic strength to protect ourselves. We must create economic spearheads in the context of interdependence and in the internationalization of production. Although we need the assistance of other countries, we should not allow ourselves to be viewed as less important by them because this will make it impossible for us to avoid being dependent on the outside. The self-governing character in the open-door period must also be guaranteed for various substantive issues. In his time, Lenin came up with many specific stipulations such as on the question of land lease; on how to improve the livelihood of workers; restore and develop the working class, market products, and fix sale prices; on conditions for hiring local and foreign workers and for ensuring their material life and payment; on whether local specialists could be allowed to work for foreign countries; on regulations governing scientific and technical activities and trade union organizations, and the like.

Aithough there are many other specific matters to be taken into account, the quality and abilities of the persons involved in this field of activity are, after all, deciding factors. This is because political incapability and ignorance will be reasons for failure. As the country is just opening its door, so many noteworthy incidents have occurred. Price bargaining is a fact of life. But if workers of certain factories place their boss above all, if both the host and guests collude with one another in turning their joint venture into a site to consume obsolete machinery and equipment and unsalable goods of other countries for the purpose of tax evasion and tax fraud, if 70 percent of the total machinery imports are the kind that need to be thrown into a junk yard as cited in NHAN DAN, we hardly will be able to protect ourselves from succumbing to the influx of foreign money and goods.

Australia

Former 'Spies' Warned on Public Disclosure

LD2802120394 Melbourne Radio Australia in English 1100 GMT 28 Feb 94

[Text] The Australian Government says it will take firm and prompt action against any former Australian spies who now speak out in public. The foreign minister, Gareth Evans, gave the warning when releasing the terms of reference for an inquiry into its overseas spy service, ASIS [Australian Security Intelligence Service].

The inquiry follows a television documentary last week, in which two former ASIS agents claimed the secret intelligence service had harmed Australia's interests in Asia and the Middle East. But Senator Evans said purported revelations by former ASIS officers had the potential to compromise national security. He said that now that a judicial inquiry into ASIS had been set up, further public comment by former Australian spies should cease.

Senator Evans gave this response to opposition claims that he was threatening former ASIS personnel:

[Begin Evans recording] Might I simply say that the government has of course very serious and onerous responsibilities in the protection of national security, the protection of the national interest in this respect. We will carry out those responsibilities with full consciousness of the gravity of the issues that are involved. And it's just really again unfortunate the opposition should choose to trivialize to score points about something which is obviously an example of the government properly exercising the various very serious responsibilities we do have. [end recording]

Ex-Judge Appointed To Head ASIS Inquiry

BK2802095894 Melbourne Radio Australia in English 0500 GMT 28 Feb 94

[Text] A former New South Wales Supreme Court judge, Gordon Samuels, has been appointed to carry out the inquiry into Australia's overseas intelligence service, ASIS [Australian Security Intelligence Service]. The inquiry was announced last week by the foreign affairs minister Senator Gareth Evans after allegations of illegal behavior by ASIS agents were made on television by two former members of the organization. Mr. Samuels has been asked to report back to the government by the end of this year. The inquiry will look into the control, accountability, and management of ASIS as well as its methods and the protection of its sources.

Keating Expresses Sympathy for Hebron Massacre

BK2802060094 Melbourne Radio Australia in English 0100 GMT 28 Feb 94

[Text] Prime Minister Paul Keating has expressed his sympathy for victims of the massacre of Palestinians in the West Bank town of Hebron. More than 50 people were killed in the attack by a Jewish gunman. In his response, Mr. Keating

emphasized the need for peace in the region. He said he was appalled by what had happened and could only hope that it did not derail the reconciliation in the Middle East. Earlier, the foreign minister, Gareth Evans, urged both Israel and the Palestine Liberation Organization to intensify their efforts for peace.

Foreign Minister Comments

BK2702120194 Melbourne Radio Australia in English 1100 GMT 27 Feb 94

[Text] The Australian foreign minister, Gareth Evans, says his government hopes the massacre of Palestinians in the West Bank town of Hebron leads to a new sense of urgency in peace negotiation. Senator Evans has condemned the massacre in which more than 50 Palestinians were killed by a Jewish gunman and extended Australia's sympathy to all the bereaved or wounded. He has urged both Israel and the Palestine Liberation Organization to intensify their efforts for peace and says it is particularly important for the all sides use restraint to avoid further bloodshed.

Minister Defends FYROM Recognition Policy

BK2802061094 Melbourne Radio Australia in English 0100 GMT 28 Feb 94

[Text] Foreign Affairs Minister Gareth Evans has written to the federal Labor [Party] caucus strongly defending the government's decision to recognize the former Yugoslav Republic of Macedonia [FYROM]. The move has drawn threats of a political backlash from Australia's large Greek community which objects to the use of the name, Macedonia, also the name of a Greek province.

A protest rally by the Greek community in Melbourne yesterday attracted a crowd of about 60,000. Senior Liberal Party figures joined the rally, condemning the government's recognition of the former Yugoslav Republic of Macedonia—speeches described by Senator Evans as the worst kind of dangerous political opportunism.

Sen. Evans has told his caucus colleagues the government will always conduct Australia's foreign policy to advance and protect Australia's national interests. He also told them the government will govern for all Australians, not just those who shout or threaten the lives, he said.

Fiji

Reportage on Election Results, Rabuka Government

'Final' General Election Results

BK2602124694 Hong Kong AFP in English 1220 GMT 26 Feb 94

[Text] Suva, Feb 26 (AFP)—Final results given by election officials for the Fiji elections for the 70-seat House of Representatives were:

Soqosoqo ni Vakavulewa ni Taukei Party-31 seats

Fijian Association Party—5
National Federation Party—20
Fiji Labour Party—7
Independents—2
All National Congress—1
General Voters Party—4

Rabuka Names New Cabinet

LD2802113794 Wellington Radio New Zealand International in English 0800 GMT 28 Feb 94

[Text] Fiji's prime minister, Sitiveni Rabuka, has named his new cabinet on the island after being sworn in following last week's snap election. In two surprises, Mr. Rabuka did not name a deputy prime minister and in addition he has announced that he will now take responsibility for foreign affairs and external trade. Mr. Rabuka has also reduced the size of his cabinet from 18 to 12. Ashran Singh reports:

[Singh] Paul Manueli, the only member of parliament from the island of Rotuma, returns as minister of finance. A member of Fiji's highest chief's assembly, Adi Samanunu Cakobau, is the minister responsible for Fijian affairs, a key ministry. In this capacity she will also be chairperson of the powerful Great Council of Chiefs.

The other ministers are:

Harold Powell, minister for commerce;
Kelemedi Bulewa, attorney-general;
Ratu Ovini Bokini, minister for agriculture, fisheries and forests;
Ratu Jo Nacola, minister for multi-ethnic affairs;
Taufa Vakatale, minister for education;
Ratu Timoci Vesikula, minister for lands;
Lieutenant-Colonel Jonetani Kaukimoce—responsible for health, social welfare and housing;
Ratu Josefa Dimuri, minister for information;
Berenado Vunibobo is the minister for home affairs, immigration, labor, industrial relations, youth and employment.

Reflecting on the fact that there are no Indians in this cabinet, Mr. Rabuka said he wants to seriously consider expanding his coalition to include the National Federation Party, which has 20 Indian members in Parliament. Ashran Singh in Suva for Radio New Zealand International.

Rabuka Comments on Victory

LD2602184494 Melbourne Radio Australia in English 1700 GMT 26 Feb 94

[Text] In Fiji, Prime Minister Sitiveni Rabuka has won a convincing victory in the country's 1994 snap election. South Pacific correspondent Erina Reddan reports that Fiji's Constitution guarantees indigenous Fijians political dominance over the country's Indian population.

[Reddan] Rabuka called this snap election just 18 months into his five-year term after a leadership challenge last November. He returns to parliament with the same number of seats in his coalition, counting two independents and four general voter seats, but his SVT [Fijian Political Party] party is down by two seats to 31. Josevata Kamikamica, who mounted the leadership challenge, has lost his seat, but his newly launched Fijian Association did pick up five seats. The anti-Indian Nationalist Party lost all of its five seats and the All Nations Congress won one seat.

Rabuka says he'll find it easy to work with the National Federation Party, which won 20 seats at the expense of the Labor Party, which is down from 13 to seven seats.

Prime Minister Rabuka says he's very happy with his win.

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[Begin Rabuka recording] Well, any victory is good. I had hoped that we would get 33 or 34 seats. A four majority in the house is still enough to run a government and its very, very satisfying, very comforting to know that people still have a lot of confidence in the party. [end recording]

Rabuka Sworn In

LD2802091494 Melbourne Radio Australia in English 0800 GMT 28 Feb 94

[Text] The newly reelected prime minister of Fiji, Sitiveni Rabuka, says he will consider asking for the republic's readmission into the Commonwealth.

The former army general, who was sworn in earlier today for another five-year term as prime minister, has also said he would capitalize on his election victory by taking on a higher international profile. Mr. Rabuka told a news conference in Suva he believed the time had come for him to visit countries other than those in the Asia-Pacific region. Noting that Fiji's traditional authority, the Great Council of Chiefs, supported the island's re-entry into the Commonwealth, Mr. Rabuka said this was one issue he would look at in his portfolio as foreign minister.

Fiji's membership of the Commonwealth lapsed in 1987 after the first of two military coups led by Mr Rabuka, which overthrew an Indian-dominated government. India is opposed to Fiji returning to the Commonwealth because of its racially-biased constitution which has ensured ethnic Indians are a minority in Parliament, but Mr Rabuka said he would like ethnic Indians to be included in a government within the next five years. At the same time he renewed his commitment to review Fiji's constitution by 1997.

New Zealand

Turkish Minister Arrives on Official Visit

TA2802095494 Ankara ANATOLIA in English 0915

GMT 28 Feb 94

[Text] Wellington, New Zealand Feb. 28 (A.A)—Foreign Minister Hikmet Cetin arrived here today for a three-day official visit. Turkish Embassy officials in Wellington told AA that Cetin was welcomed in Auckland by Donald McKinnon, the country's deputy premier and foreign trade minister. Official talks between the Turkish and New Zealand delegations led by Cetin and McKinnon will be held in Wellington.

The main topics of the talks will be, means to strengthen the existing political dialogue and economic cooperation. In addition, emphasis will be placed on a number of international issues in the talks.

Following his visit, Cetin will proceed to Australia where he will be visiting as the official guest of his Australian counterpart Gareth Evans, March 3,4, and 5.

Western Samoa

Cardinal's Letter on Tax, Warns of 'Violence'

BK2602124894 Hong Kong AFP in English 1130 GMT
26 Feb 94

[Text] APIA, Feb 25 (AFP)—The seeds of violence and possibly war are being sown in Western Samoa by forces trying to bring down the government, the head of the Roman Catholic church here, Cardinal Pio Taofinuu, said Friday.

In an unprecedented move, he "begged" the government in a pastoral letter not to introduce a value added tax on food and school supplies. In the letter he said he had heard that a people were organising an anti-tax march on Wednesday with an aim of shutting down the country's ports and international airport. He called the march organisers "selfish and abusive people" who were trying to fan the fires of other people's suffering for their own motives.

"It appears to me now that a real effort is being made to bring the present government to its knees," he said in the letter to Catholics. "Some would say simply 'that's politics' but something more is happening that is truly troubling for our future." He said the people behind the march seemed willing to do anything to reach their goals. "Do they lust for raw power, regardless of the consequences for the country?"

He said recently that when Prime Minister Tofilau Eti Alesana spoke he was booed, demonstrating the "ugliness that has now been unleashed.

"What happens is that we lose our self-respect as citizens of Western Samoa, who have an ancient tradition of civility, and we sow the seeds of violence and possibly even war," the letter said. He advised Catholics not to join the protest march, although he added that the tax was unacceptable and too high.

"Do not listen to other voices that promise peace but speak of war, voices that speak of hope but act to destroy," he said. "It is urgent that the present taxes on foodstuffs be removed. That act, in itself, will be a major source of peace for all our people.

"A just tax, imposed fairly, is a shared sacrifice. And people are willing to share sacrifice," the cleric said. "At the same time, the sacrifice of the many for the enrichment of the few cries to heaven for vengeance."